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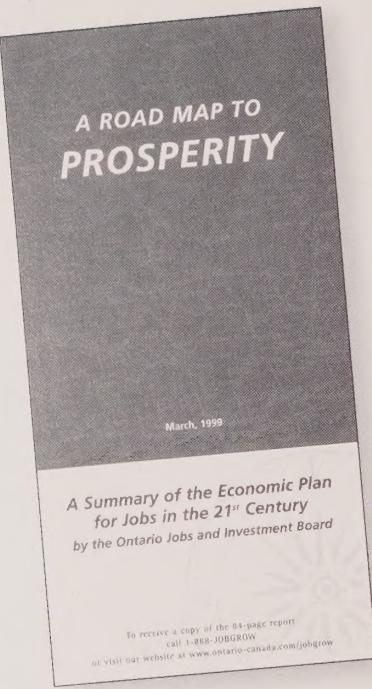
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A ROAD MAP TO PROSPERITY

AN ECONOMIC PLAN FOR JOBS IN THE 21ST CENTURY



March 1999



Find your summary inside the back cover.

The Ontario Jobs and Investment Board

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Letter to the Premier

DEAR PREMIER:

It is my pleasure to present to you, on behalf of the Ontario Jobs and Investment Board, *A Road Map to Prosperity*. This report, based on the broadest consultation on jobs and economic growth ever undertaken in Ontario, is intended as a guide for all Ontarians as together we chart our course into the 21st Century.

One year ago, you presented us with an ambitious challenge: to envision Ontario five, 10 and 20 years in the future, to think about what we *want* Ontario to be, and to develop strategies to make that vision a reality. You challenged us to think of the year 2020 to bring Ontario's economic future into focus. As part of this bold visioning exercise you asked the Board to involve people across Ontario in a wide-ranging discussion – to seek their advice, their insights and their ideas. You asked us to set priorities, to make choices and propose an action-oriented plan – not just for the government, but for all sectors, all communities and all citizens of Ontario.

A Road Map to Prosperity represents the ideas of thousands of people and organizations across Ontario, supported by a sound foundation of research by the Ontario Jobs and Investment Board's special advisory panels, Board staff, the Ontario Public Service and many others who have assisted in this project.

I would particularly like to thank the members of the Ontario Jobs and Investment Board and its special advisory panels for their service in volunteering their experience, expertise and advice in support of this important project. We are deeply grateful that they, with a deep commitment to and belief in Ontario, have developed a plan designed to make the 21st Century even better for everyone in the province.

The Ontario Jobs and Investment Board was created to develop ideas and strategies to strengthen Ontario's economic performance – today and in the years ahead. Thanks to the hard work of many people, I believe we have achieved this objective.

It is our sincere hope that all sectors of Ontario's economy – business, labour, government, academia, social organizations, community leaders, and individual Ontarians – take our recommendations to heart, and work together to ensure that Ontario continues to be the best place to live, to work, to invest and to raise a family, for decades to come.

Yours truly,

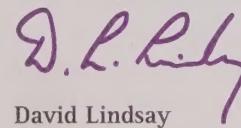

David Lindsay
President and CEO

TABLE OF CONTENTS



LETTER TO THE PREMIER 1

SECTION III:

21 PRIORITIES FOR THE 21ST CENTURY 61

SECTION I:

OUR CHALLENGE – OUR FUTURE 3

Ontario's Circle of Prosperity 5

Five Strategic Goals 8

Economic Context 8

Guiding Principles 10

Performance Measures 12

APPENDIX 1 – WHAT WE HEARD 67

APPENDIX 2 – YOUTH CONSULTATION 79

ACKNOWLEDGMENTS 83

SECTION II:

IMPLEMENTATION STRATEGIES
AND ACTIONS 14

Knowledge and Skills for Prosperity 16

Innovation Culture 25

Strong Global Orientation 35

*Building on Our Industry
and Regional Strengths* 45

Favourable Investment Climate 54

OUR CHALLENGE – OUR FUTURE

In developing a strategic plan to envision and attain Ontario's economic goals, the Ontario Jobs and Investment Board recognized that there are no "magic" solutions for maintaining a robust economy.

The message the Board heard throughout its consultations and deliberations was that Ontario has made progress in getting our economic fundamentals right – including lower taxes, less regulatory red tape, greater recognition of initiative and risk-taking, and higher and more exacting education standards. But it is essential that these approaches be maintained and enhanced.

Economic prosperity is not something we can take for granted, even with Ontario's many strengths. Recently, the international Organization for Economic Co-operation and Development (OECD) forecast a substantial decline in Canada's economic performance and quality of life in the medium term, unless we prepare ourselves better for the challenges of the future. Clearly, the discussions and actions we take now matter deeply for the years to come.

The need for continual improvement goes far beyond economic performance. It is only by continuing to meet challenges – such as restructuring government spending to keep it within our means, reinventing the way we deliver public

services (such as health care), improving our educational performance so students graduate with market-relevant skills, maintaining an attractive and competitive market for research and innovation, and promoting excellence in the arts – that we will be able to maintain our high quality of life.

The Ontario Jobs and Investment Board believes that Ontario is at a crucial juncture in its history. Our province is certainly not unique in that regard – indeed, most of the world is wrestling with the challenges of preparing for the new millennium.

As communities and as individuals, the dawn of the 21st Century has become something of a milepost, a time for us to take stock of our lives; to contemplate where we are, where we want to be in the years ahead, and how we can go about getting there.

For many Ontarians, thinking about the future can be somewhat unsettling. Some feel that the new millennium casts a shadow of worry, not a ray of hope. They worry about the changes they see in the economy, the security of their own jobs and the prospects for their children.

They see the incredible pace of change and they are concerned that they will be left behind. Immediate concerns – stress at work, job insecurity, living 'paycheque-to-paycheque' with little money or time for leisure activities – often make the future seem daunting.

"I skate to where the puck is going to be, not where it's been."

— Wayne Gretzky

OUR CHALLENGE – OUR FUTURE

"Prosperity lies in the hands of those who are willing to create the future and those who are willing to work together to help them."

*—Premier's Conference presenter,
St. Catharines*

"Canada is on the verge of becoming one of the great leaders in the new global economy where there is opportunity to become very successful. Taking the proper measures, Canada and Ontario can, and will achieve this feat. But, we must never again take our eye off the ball, and if we do, we will be left behind in this magnificent evolution."

*—Premier's Conference youth presenter,
Kingston*

But with sound planning, clear objectives and prudent action, Ontario will be able to ease those worries and approach the future with confidence and hope.

Ontario is well positioned to take advantage of the economic opportunities and possibilities on the horizon as the new millennium approaches. Ontarians, at all phases of their lives, can and should feel confident about their future, and about their own ability to adjust and succeed in the economy of the 21st Century.

THE CHALLENGE

In early 1998, Premier Mike Harris asked the Ontario Jobs and Investment Board to lead the development of an economic vision and action plan for the 21st Century – a strategy to ensure jobs, investment and economic prosperity for Ontarians over the next five, 10 and 20 years.

Premier Harris challenged the Board to develop economic strategies as a key component in achieving the overall vision for our province: to make Ontario the best place in North America to live, work, invest and raise a family.

The Premier asked the Board to make recommendations, not just for government but for individuals, businesses, public institutions and

other sectors to prepare Ontario for a new century of hope, opportunity and success.

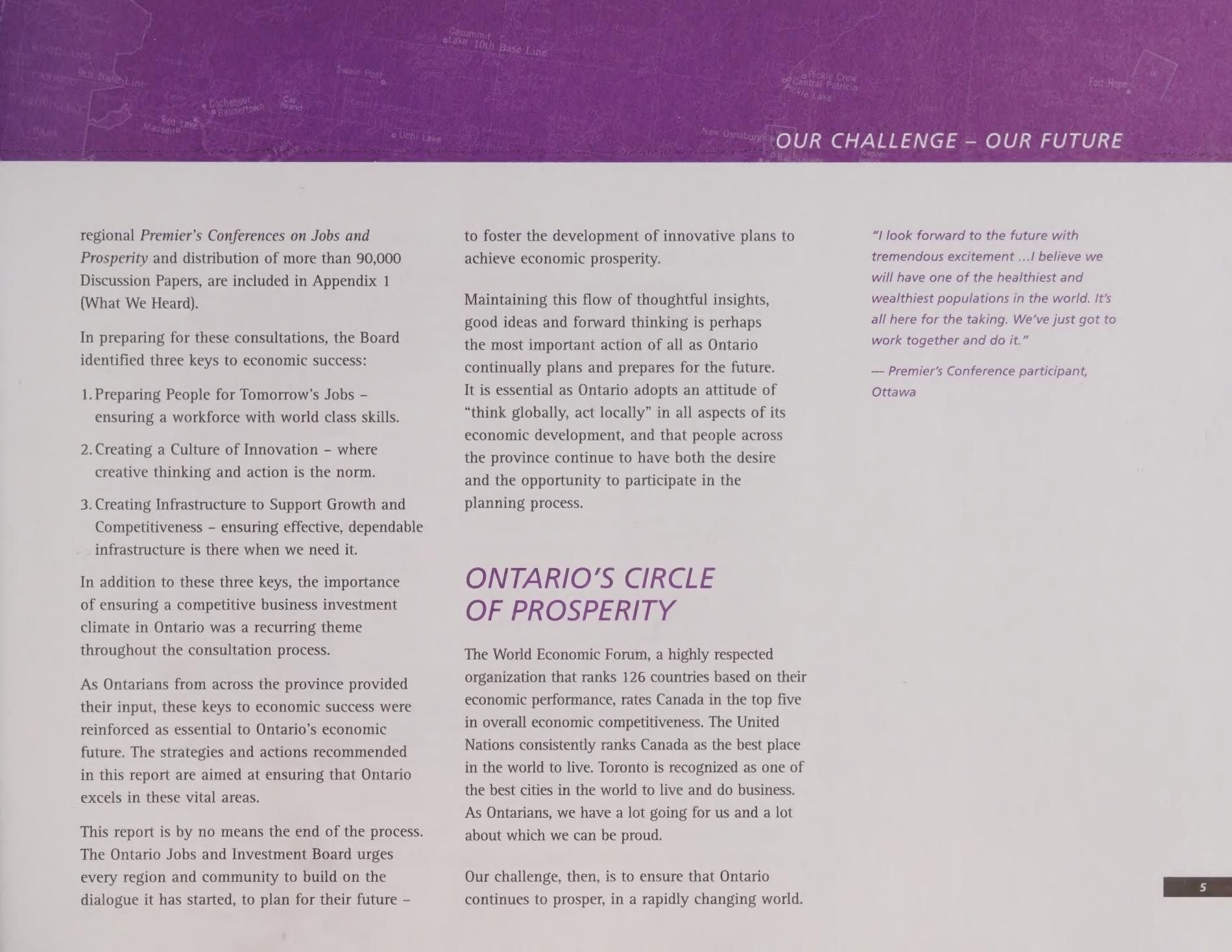
This report, *A Road Map to Prosperity*, details economic strategies and recommends priorities for action to ensure a strong, vibrant economy in Ontario, built on the foundation of a creative, adaptable and skilled workforce.

The ideas, insights, strategies and actions outlined in *A Road Map to Prosperity* have one basic aim: to set out a constructive road map to give Ontario the competitive edges we need to make it to the top, and stay there.

At the end of that road is a strong sense of confidence for all Ontarians. Confidence that Ontario will have quality jobs – and plenty of them. And confidence that everyone in Ontario will have the opportunity to pursue, and achieve, his or her dreams.

LARGEST PUBLIC CONSULTATION – A VITAL DIALOGUE

In setting about the task of developing long-term strategies for job creation and economic growth, the Ontario Jobs and Investment Board spearheaded the largest public consultation on the economy in Ontario's history. Details of this consultation process, which included seven



OUR CHALLENGE – OUR FUTURE

regional Premier's Conferences on Jobs and Prosperity and distribution of more than 90,000 Discussion Papers, are included in Appendix 1 (What We Heard).

In preparing for these consultations, the Board identified three keys to economic success:

1. Preparing People for Tomorrow's Jobs – ensuring a workforce with world class skills.
2. Creating a Culture of Innovation – where creative thinking and action is the norm.
3. Creating Infrastructure to Support Growth and Competitiveness – ensuring effective, dependable infrastructure is there when we need it.

In addition to these three keys, the importance of ensuring a competitive business investment climate in Ontario was a recurring theme throughout the consultation process.

As Ontarians from across the province provided their input, these keys to economic success were reinforced as essential to Ontario's economic future. The strategies and actions recommended in this report are aimed at ensuring that Ontario excels in these vital areas.

This report is by no means the end of the process. The Ontario Jobs and Investment Board urges every region and community to build on the dialogue it has started, to plan for their future –

to foster the development of innovative plans to achieve economic prosperity.

Maintaining this flow of thoughtful insights, good ideas and forward thinking is perhaps the most important action of all as Ontario continually plans and prepares for the future. It is essential as Ontario adopts an attitude of "think globally, act locally" in all aspects of its economic development, and that people across the province continue to have both the desire and the opportunity to participate in the planning process.

"I look forward to the future with tremendous excitement ... I believe we will have one of the healthiest and wealthiest populations in the world. It's all here for the taking. We've just got to work together and do it."

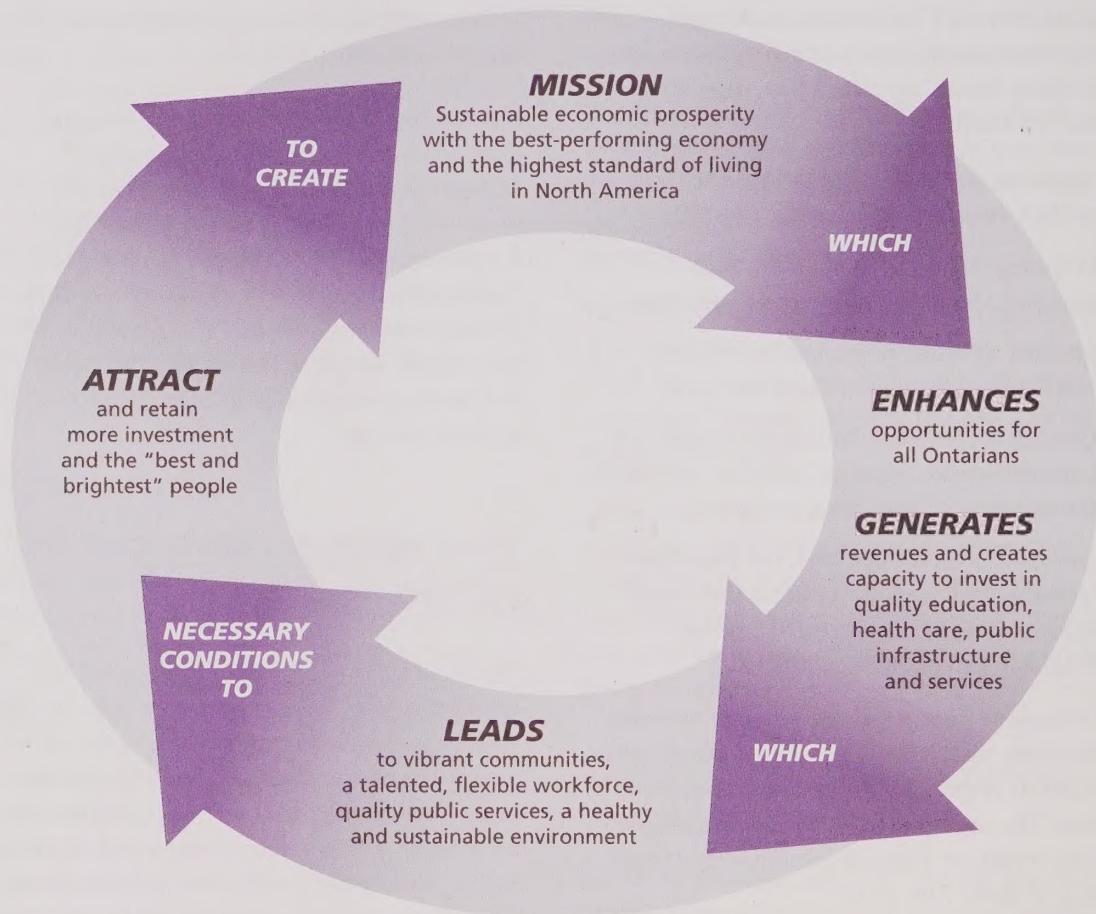
— Premier's Conference participant,
Ottawa

ONTARIO'S CIRCLE OF PROSPERITY

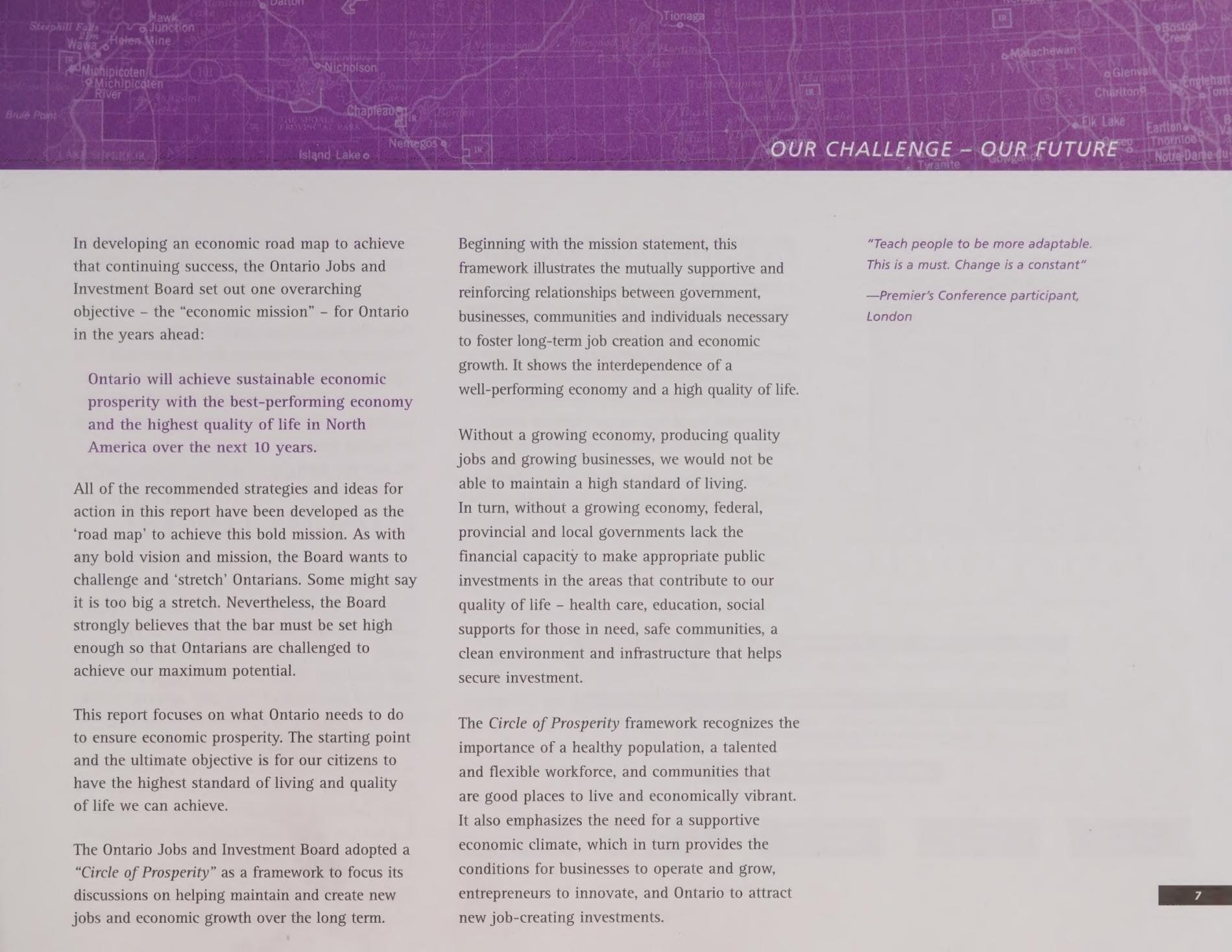
The World Economic Forum, a highly respected organization that ranks 126 countries based on their economic performance, rates Canada in the top five in overall economic competitiveness. The United Nations consistently ranks Canada as the best place in the world to live. Toronto is recognized as one of the best cities in the world to live and do business. As Ontarians, we have a lot going for us and a lot about which we can be proud.

Our challenge, then, is to ensure that Ontario continues to prosper, in a rapidly changing world.

OUR CHALLENGE – OUR FUTURE



Ontario's Circle of Prosperity



OUR CHALLENGE – OUR FUTURE

In developing an economic road map to achieve that continuing success, the Ontario Jobs and Investment Board set out one overarching objective – the “economic mission” – for Ontario in the years ahead:

Ontario will achieve sustainable economic prosperity with the best-performing economy and the highest quality of life in North America over the next 10 years.

All of the recommended strategies and ideas for action in this report have been developed as the ‘road map’ to achieve this bold mission. As with any bold vision and mission, the Board wants to challenge and ‘stretch’ Ontarians. Some might say it is too big a stretch. Nevertheless, the Board strongly believes that the bar must be set high enough so that Ontarians are challenged to achieve our maximum potential.

This report focuses on what Ontario needs to do to ensure economic prosperity. The starting point and the ultimate objective is for our citizens to have the highest standard of living and quality of life we can achieve.

The Ontario Jobs and Investment Board adopted a “*Circle of Prosperity*” as a framework to focus its discussions on helping maintain and create new jobs and economic growth over the long term.

Beginning with the mission statement, this framework illustrates the mutually supportive and reinforcing relationships between government, businesses, communities and individuals necessary to foster long-term job creation and economic growth. It shows the interdependence of a well-performing economy and a high quality of life.

Without a growing economy, producing quality jobs and growing businesses, we would not be able to maintain a high standard of living. In turn, without a growing economy, federal, provincial and local governments lack the financial capacity to make appropriate public investments in the areas that contribute to our quality of life – health care, education, social supports for those in need, safe communities, a clean environment and infrastructure that helps secure investment.

The *Circle of Prosperity* framework recognizes the importance of a healthy population, a talented and flexible workforce, and communities that are good places to live and economically vibrant. It also emphasizes the need for a supportive economic climate, which in turn provides the conditions for businesses to operate and grow, entrepreneurs to innovate, and Ontario to attract new job-creating investments.

*“Teach people to be more adaptable.
This is a must. Change is a constant”*

*—Premier’s Conference participant,
London*

OUR CHALLENGE – OUR FUTURE

"These are exciting and challenging times we find ourselves in. I believe the future is bright. Problems should be viewed as opportunities. Let us spend less time concentrating on how we got there, where we came from and how we used to do things and instead concentrate on where we go from here."

*—Premier's Conference participant,
Kingston*

FIVE STRATEGIC GOALS

A Road Map to Prosperity is the result of extensive consultation and intensive deliberation, and is based on the insights, experiences and ideas of thousands of Ontarians. It is an action plan for Ontario to lead the way in the global economy, to ensure that our economic strength is sustainable, and that the benefits are broadly spread to everyone in this great province.

To achieve this mission, *A Road Map to Prosperity* sets out five strategic goals, or 'destinations':

1. Knowledge and Skills for Prosperity (page 16)
2. Innovation Culture (page 25)
3. Strong Global Orientation (page 35)

4. Building on Our Industry and Regional Strengths (page 45)

5. Favourable Investment Climate (page 54)

These five strategic goals, are not separate destinations but are complementary and come together to form the whole road map to reach our economic mission of sustained economic prosperity for Ontario, with the best-performing economy and the highest quality of life in North America over the next 10 years.

ECONOMIC CONTEXT

Ontario has been on an economic roller coaster in the last 20 years. The 1980s saw both a major economic downturn and an extraordinary boom, while the 1990s have been characterized by a severe recession, massive economic restructuring and a recovery in the latter part of the decade. What we have learned from this upheaval is that Ontario's economy is far from recession proof, but when given a chance through sound economic leadership, it has shown tremendous resilience and relative strength. We know we have the ability to adjust to economic change, and are well positioned to meet the challenges of competing in a global economy.

Since the mid-1990s, Ontario's economy has been on the upswing, and we have enjoyed some of the

VISION

Ontario is the best jurisdiction in North America to live, work, invest and raise a family

MISSION

Ontario will achieve sustainable economic prosperity with the best performing economy and highest quality of life in North America over the next 10 years.

IMPLEMENTATION STRATEGIES

KNOWLEDGE AND SKILLS

INNOVATION CULTURE

STRONG GLOBAL ORIENTATION

INDUSTRY AND REGIONAL STRENGTHS

FAVOURABLE INVESTMENT CLIMATE

strongest growth in the industrialized world. In 1998 alone, Ontario experienced record job creation, with 200,000 net new jobs. Ontario's per-capita income is among the highest in the world and is growing once again. Unemployment is at its lowest level in over a decade, although it is still not low enough for our young people and remains a concern in parts of the province, particularly in Eastern and Northern Ontario.

CONCERNS IN THE NEAR AND LONGER TERM

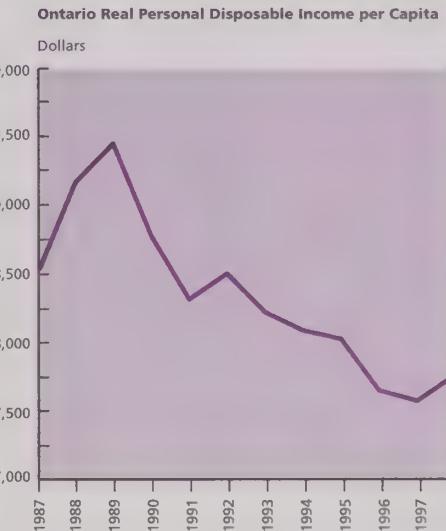
The lessons of the past 20 years make it clear that we cannot take our competitive position for granted, and some economic indicators are still cause for concern. For example, while investment in Ontario is at peak levels right now, historically it has been below the 29-country OECD average. Productivity in our manufacturing industries has been improving, but remains below U.S. levels. Ontario's personal tax burden remains higher than our chief competitor, the United States. And while average take-home-pay (real disposable income per capita) has increased over the past three years it is still not back to where it was in 1989 before the last recession. (See Chart).

Ontarians should not assume that what makes us competitive now will continue to do so in the future. For instance, our trade relationship with

the United States is one of our strengths, but at the same time this reliance makes us particularly vulnerable to U.S. economic downturns. There are also concerns that the low Canadian dollar – which has contributed to Ontario's strong export performance – could lead to complacency. Instead, we should be trying to create new competitive advantages based on unique products, services and processes and achieving the productivity gains Ontario needs to remain competitive.

Mobile capital and increasingly mobile labour will naturally gravitate to the most attractive economic opportunities. We should keep in mind that all jurisdictions are competing for quality jobs, investment, top management and technical talent – the “best and brightest” from around the world. Ontario must continue to move forward to ensure we are not left behind, and that we do not experience a “brain drain” of talented Ontarians leaving for more attractive locations. In fact, Ontario should strive to be the preferred home of the best and brightest, both home-grown and from other places.

Factors such as rising knowledge intensity, technological change and trade realignment along a more north-south axis will all profoundly impact on our province's economic future. Our ability to adapt to these changes will determine our success in the next century.



Source: Statistics Canada and Ontario Ministry of Finance

OUR CHALLENGE – OUR FUTURE

In addition to adjusting to changes in the world around us, it is important for Ontarians to understand and respond to changes within our own borders. Ontario's population – which is currently 11.4 million people, making us larger than many countries – is projected to grow to nearly 14 million by the year 2010. It is essential that we are ready to manage this growth. Our population is also aging, presenting many additional challenges, particularly in the health care area.

While most Ontarians would agree that current economic conditions are relatively good, there is also a strong sense throughout the province that we can and should aspire to greater success. Many people remain concerned about the security of their present jobs and their prospects for future jobs.

By taking action now, we have the opportunity to take advantage of our strengths and address our weaknesses; to decide where we want to be in the next century and to chart a sound course to get us there.

The challenge – and the objective at the heart of the Ontario Jobs and Investment Board's strategic planning – is to maintain and enhance Ontario's competitive position: to build on the things we are doing well, to identify where improvements are needed, and to set out a course of action so that all Ontarians can enjoy our long-term prosperity.

GUIDING PRINCIPLES

We heard that Ontarians from all walks of life share a common set of core values that define our province. These core values, often described as the "glue" that holds us together as a community, are the foundation for *A Road Map to Prosperity*:

- Opportunity – driven by belief in a strong work ethic and a belief that all Ontarians should have the opportunity to succeed.
- Community – a strong sense of family and cooperation, an appreciation of the strength of our multi-cultural diversity and a desire to increase our participation in the global economy.
- Civility – a society based on compassion, social responsibility, ethical behaviour, personal responsibility and accountability.
- Responsibility – a commitment that our children and future generations should be left a legacy of a clean, healthy environment, a manageable public debt and an economy that will allow them to enjoy a high standard of living and a quality of life.
- Partnerships – people and organizations with a shared interest working together.

These values shape the aspirations that Ontarians have for their province and their neighbours. The Board heard Ontarians:

- would like every Ontarian to have the opportunity to take home more from each pay cheque, to have a quality job and a higher and improving standard of living;
- want to see the benefits of economic growth and emerging global market opportunities shared as broadly as possible across all regions of the province and all segments of our society;
- express the belief that a clean environment makes the province an attractive place to live and work and is an essential feature of our long-term economic competitiveness;
- above all else, want to see continuous improvement in our quality of life and to retain our status as proud Canadians who enjoy the best overall quality of life in the world.

ECONOMIC PRINCIPLES

Based on its consultations, the Ontario Jobs and Investment Board concluded that:

- it is important to build on our economic strengths and realize the growth potential in our businesses, industry sectors and regions;

- economic prosperity is a “bottom-up” process that is driven by individuals’ pursuit of opportunities and success;
- there is great regional diversity within the provincial economy and no single recipe will work for all regions or communities to create jobs and economic growth – flexibility is essential;
- economic development cannot be “commanded” by government, although governments have important roles to play through leadership and facilitation;
- building a more competitive, adaptive and resilient economy – capable of achieving high rates of growth and job creation in the global economy of the next century – is a long-term proposition;
- environmental considerations have moved into the mainstream of business thinking and economic development;
- we must preserve, promote and enhance our economic future within North America and at the same time expand our trade and investment relationships with the rest of the world.

“We ask you to have confidence in our ability to positively affect our environment, the economy and our communities. Trust in the youth of today. Without your confidence, how will we ever rise to the occasion?”

*—Premier’s Conference youth presenter,
Toronto*

PERFORMANCE MEASURES

The Ontario Jobs and Investment Board believes performance measurement must play a critical role in implementing this road map – to ensure that “we maintain our course and achieve our goals in a concrete and visible way”.

The Board feels strongly that appropriate performance measures should be adopted at the provincial level to support implementation of the proposed strategies and actions, and encourages regions and communities to do the same.

For each of the five strategic goals outlined in the Implementation Strategies and Action section, the Board has identified, for illustration purposes, a number of possible performance measures. It is important to measure overall progress being made toward the objective, rather than measuring specific actions.

The Board proposes that an advisory group of private sector, academic and government experts be established to design a process to develop, adopt, monitor and report on performance measures. The advisory group’s mandate should also include an advocacy role to encourage and facilitate the use of economic performance measures at the regional and community levels.

Many jurisdictions have made a commitment to the use of performance measures and have suggested the following advice, which the Board fully supports.

1. Carefully assess whether you are measuring the right things.
2. Select the best standards.
3. Make a long-term commitment to promoting a broad public understanding through public reporting.

WHAT ARE PERFORMANCE MEASURES?

The terms “performance measures” and “benchmarks” are often used interchangeably. They serve as useful tools to focus effort and monitor progress in meeting long-term strategic goals.

Performance measures are used by the private sector to assess whether they are meeting, for example, financial goals. The provincial government and many other private and public sector organizations are now actively using performance measures to augment their annual and medium-term business planning.

CRITERIA

In developing the performance measures to support implementation of *A Road Map to Prosperity*, the Board suggests the following criteria be applied. Measures should:

- have a practical connection to the long-term strategic goals;
- be understandable and measured consistently over time;
- be flexible enough to allow for improvements;
- be easily understood;
- include progress targets with a specified time frame;
- be aggressive but realistic.

The Board also suggests that performance measures be structured so that they are:

- considered part of an on-going and continuous process;
- emphasizing results or outcomes rather than efforts or activities;
- comparable and reliable over long periods of time;
- gathered and analyzed at regular intervals; and

- based on data from credible sources, whether primary (commissioned research) or secondary (published research by others).

Also, over time, efforts should be made to show how measures are related to each other where interdependencies are likely to exist.

Performance measures can be a useful tool to encourage collaboration among different interests with a common goal. It is important that the process of establishing and monitoring performance targets builds partnerships within organizations, communities, regions and institutions. Strong leadership and commitment are required to keep all the players focused on the performance targets – and ultimately achieving the long-term strategic goal.

"...focus on excellence and on performance and performance judged not by Ontario standards but the standards of competitive global economy."

—Premier's Conference participant,
Toronto

IMPLEMENTATION STRATEGIES AND ACTIONS

The following five sections of the *Road Map to Prosperity* gather together the implementation strategies and ideas for action heard by the Ontario Jobs and Investment Board.

Each of the five strategic goals or destinations on our road map to prosperity is not separate and distinct, but has many interconnections and interrelationships. Taken as a whole, these five destinations on our road map outline the journey upon which we must all move forward.

Every player in the Ontario economy has a role to play in achieving our economic mission of sustainable economic prosperity. In gathering input for our report, the Board challenged participants at our regional conferences and others in our consultations not just to think of possible actions for the provincial government, but for all participants in the provincial economy. We were very pleased with the responses to this challenge.

For each of the ideas for action listed in the following five destinations on our road map, the Board has attempted to identify a partner in our economy with responsibility for its development and implementation.

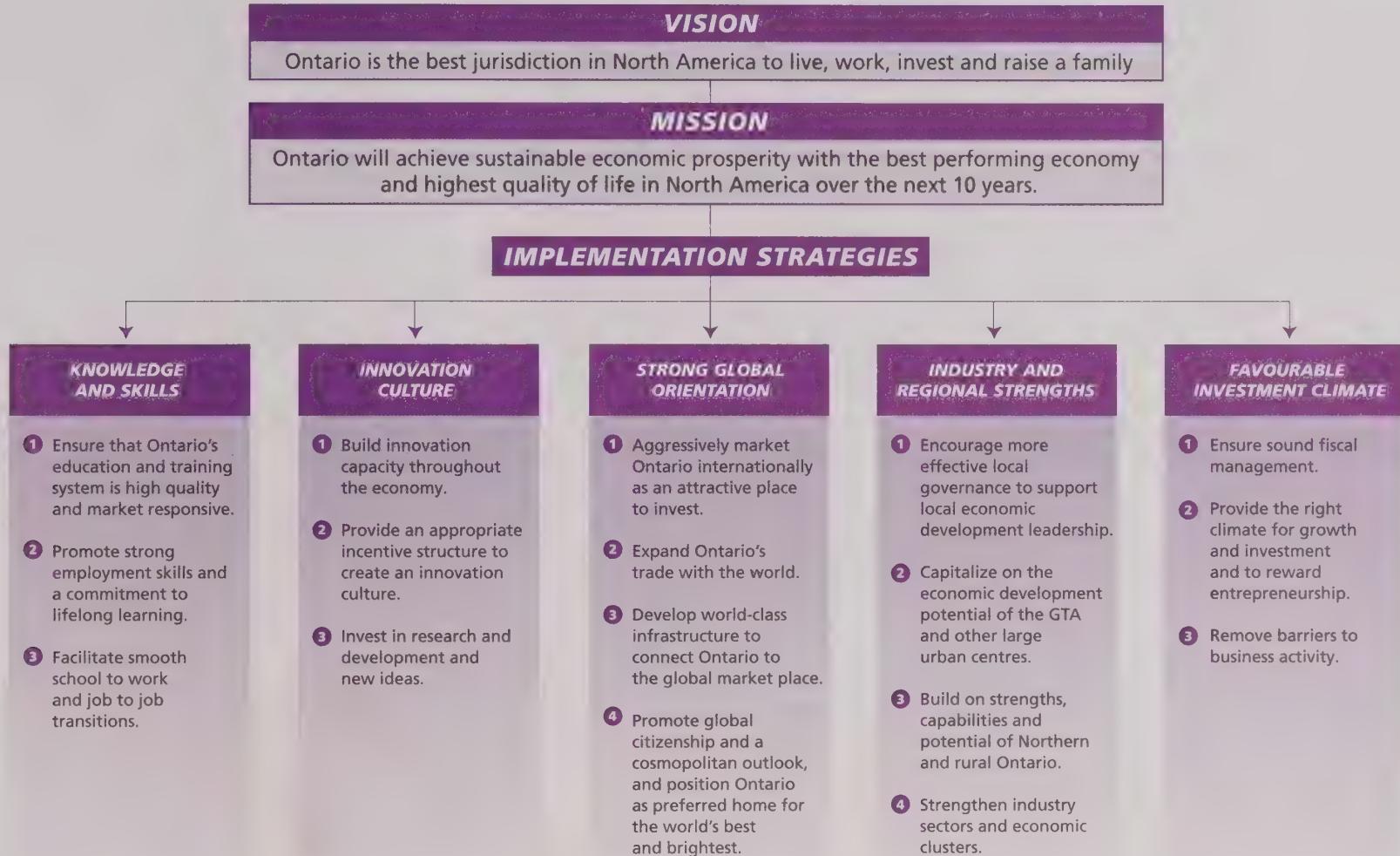
Each idea for action begins with one or more letters symbolizing the participant in the economy we believe should have the responsibility.

- (I) Individuals
- (B) Businesses
- (E) Educational Institutions
- (G) Governments
- (GF) Federal Government
- (GP) Provincial Government
- (GM) Municipal Government

As each of the destinations is interrelated on our road map, so too are the relationships between each of the partners. The actions of one player in the economy will influence and affect the success or failure of those with whom they come in contact. In proposing these ideas for action, and assigning some initial responsibility, the Board is not suggesting that participant is solely responsible.

Our road map to prosperity is just that, a road map. There are many routes that can be chosen and different modes of transportation. How you get to a destination is a function of many decisions. How we get there should be open to discussion. This section of our report is designed to stimulate that dialogue and challenge all participants to partner in the journey.

In order to achieve our overall economic mission of sustainable economic prosperity in Ontario with the best performing economy and highest quality of life in North America, we must move forward together to achieve all five of the destinations.



Digital technology will both drive and enable much of the innovation that will take place in creating new products, services and processes and new ways of doing business. It will also create tremendous electronic business opportunities.

Equipping people with the skills to develop and maintain digital infrastructure and to develop and market applications, content and services, is a key to ensuring that Ontarians are prepared to seize these opportunities.

KNOWLEDGE AND SKILLS FOR PROSPERITY

STRATEGIC GOAL:

Ontario will be recognized as a model jurisdiction known for its high quality and adaptable workforce within five years. Ontarians will have the knowledge and skills – emphasizing creativity and entrepreneurship – to provide a strong foundation for sustained prosperity.

THE CHALLENGE

A highly skilled, well-educated workforce is currently one of Ontario's key competitive advantages, and will be even more crucial in the future. The knowledge and skills Ontarians bring to their work have helped create the strong and diversified economy we have today. The challenge for the new millennium is to enhance our ability and confidence to adapt to a changing work environment and maximize our opportunities as individuals and as a province.

The rapid introduction of new technology, coupled with increased competition resulting from globalization, is accelerating the rate of change. To remain competitive, companies are

restructuring and doing business in new ways. In turn, people are challenged to perform new tasks, adapt to new circumstances, adjust to new working environments and rapidly learn new skills.

Increasing the knowledge and skill levels of Ontarians of all ages through an excellent, market-responsive education, training and employment system, and developing a culture that encourages lifelong learning, are the keys to increasing Ontarians' job opportunities and prosperity.

To meet this challenge:

INDIVIDUALS need to take responsibility for the management of their own careers, make sound, informed decisions about what they need to learn, acquire the skills they need for employment, and adopt the entrepreneurial spirit required to achieve their goals. They need to commit to lifelong learning.

Labour, professional associations and other organizations representing workers have important roles to play in promoting training in the workplace and for their members.

BUSINESSES need to expand their investment in their most important asset: their employees. Businesses can play an active role in identifying the skills needed, and, working in partnership with

institutions, employees and their organizations, and by developing and implementing creative approaches to equipping people with those skills.

Small businesses and self-employed entrepreneurs will need to constantly upgrade themselves and their skills to grow and prosper.

Businesses also play an important role in providing youth with work exposure, career counselling, mentoring and their first jobs.

EDUCATIONAL INSTITUTIONS and providers need to meet the needs and expectations of all their clients (learners, parents, and employers) by striving for excellence at all times, fostering entrepreneurship and innovation, and being responsive to the needs of the economy. To achieve these goals they should expand their partnerships with one another and with business.

GOVERNMENTS need to work together to put in place a single comprehensive training and labour market adjustment system to meet the needs of Ontario workers and employers. In particular, governments should address duplication and overlap in adult and youth training and employment services.

Governments' responsibilities include wisely investing the public funds available for education and training, setting and enforcing high standards for education and training, and acting

as a catalyst to skills development, such as brokering partnerships and filling gaps in areas where markets fail. Governments share responsibility with business and educational institutions to ensure education and training remain accessible.

THE CURRENT SITUATION

- Ontario has higher post-secondary educational attainment levels than any OECD country. However, employers report skill shortages in a number of sectors, notably information technologies and the automotive industry. As well, adult literacy in Ontario is only in the middle of the pack internationally.
- The workforce is aging. Most of the people who will be working in the next twenty years are already in the workforce. Women are expected to continue to account for a growing proportion of the labour force.
- Over one-third of all workers in Ontario are in jobs that are part-time or do not have a conventional employer-employee relationship.
- Studies show that, on average, Ontario employers spend less than their international counterparts on formal employee training.
- One in four Ontarians between the ages of 15 and 24 has never worked – a growing concern.

"Education must provide the core requirements to getting a job: to be flexible, innovative and imaginative. Knowledge and skills are complementary. The education system must foster curiosity as the basis for lifelong learning and provide opportunities for the development and application of skills."

—Premier's Conference participant,
St. Catharines

KNOWLEDGE AND SKILLS FOR PROSPERITY

- Unequal access to information technology is a concern in some parts of the province, raising fears of technological "haves" and "have-nots" in Ontario's educational institutions, workplaces and homes if access is not improved.
- The population aged 18-24 – which is the age group most likely to attend college or university, is expected to grow by 18 per cent between 1998 and 2010, as the baby boom "echo" reaches adulthood. Colleges and universities face the additional challenge of serving the double cohort of students who are expected to seek admission in approximately 2003 as a result of the elimination of the 5th year of secondary school.
- More and more adults are taking courses to supplement their skills and knowledge.
- The federal and Ontario governments are currently negotiating a labour market agreement to permit the creation of single, simple-to-understand, made-in-Ontario, employment services and training system.
- The government of Ontario has recently made a number of strategic investments in the post-secondary and research area through the R&D Challenge Fund; a program to double the enrollment in computer science and high-demand engineering programs; and the Strategic Skills Investment program which encourages collaboration between industry and education and training providers.
- An expert study on the Early Years is expected to demonstrate that the development of the brain in early years lays the foundation for lifelong learning, social behaviour and health.

WHAT'S BEING DONE NOW

- Secondary school reforms put more emphasis on mathematics, science and technology, expand support for career counseling, and increase co-op opportunities.
- Recent apprenticeship reforms will expand apprenticeship so that more employers and apprentices participate and will improve the quality of training.
- Personal income tax incentives have been implemented to help people save for education.

IMPLEMENTATION STRATEGIES

1) ENSURE THAT ONTARIO'S EDUCATION AND TRAINING SYSTEM IS HIGH QUALITY AND MARKET RESPONSIVE

Ontario should achieve excellence at all levels of the education and training system. Ontarians must be equipped to meet the current and

(I) Individuals (B) Businesses
(E) Educational Institutions
(G) Governments: (GF) Federal;
(GP) Provincial; (GM) Municipal

emerging skill requirements of the evolving knowledge- and ideas-based economy and provide employers with the skills they require.

Achieving this goal will require a culture of active, ongoing employer partnership with government, educational institutions and others in identifying the skills needed and developing and implementing creative approaches to equipping people with skills.

IDEAS FOR ACTION:

1. (E/GP) Establish an accountability framework for elementary and secondary schools that:

- addresses student performance improvement targets and action plans; and
- identifies and monitors key performance indicators to support continuous quality improvements in Ontario's schools.

2. (E/GP) Establish an independent quality assessment organization for post-secondary institutions with a mandate to establish quality standards, assess programs against standards, and report publicly on quality-related matters in post-secondary education.

3. (GP/GF) Implement a single, simple to understand, made-in-Ontario employment services and training system for Ontarians by

integrating provincial and federal training and employment programs. This would:

- eliminate duplication and fragmentation;
 - create one simple-to-understand, made-in-Ontario, system that gives all Ontarians easy access to the employment services and training programs and is responsive to community and business needs;
 - provide more Ontarians with job and self-employment preparation and training; and,
 - help employers meet their need for skilled workers.
4. (B) Commit to more workplace training. Businesses should work with government and institutions to remove barriers that inhibit business investment in training. And, business/industry should develop standards for investment in people that would spur greater awareness and adoption of best practices in human resource management.
5. (B/E/GP) Market skilled trades as a viable career choice, recognizing the growing opportunities in skilled trades, which are increasingly high-tech, highly skilled and well-paying. This approach should include:

EMPLOYABILITY SKILLS

Skills for employment include:

1. *Academic Skills – the ability to communicate, think critically, and learn.*
2. *Personal Management Skills – positive attitudes and behaviour, responsibility, adaptability.*
3. *Teamwork Skills – the ability to work with others.*

- marketing the benefits of a career in the skilled trades to parents, teachers, and students, including at the elementary level;
- providing students with more exposure to the skilled trades through co-op programs, which would give students the opportunity to use materials and technology integral to the trades; and
- marketing the benefits of training apprentices to employers.

6.(GP/B/E) Address mismatches between the skills people have and the skills employers are seeking, and address current and emerging skill shortages. To achieve this objective:

- target provincial funding for post-secondary and training institutions based on the employment results of their graduates;
- enhance market responsiveness of educational institutions through alternative funding mechanisms. These might include:
 - forward-looking skills training projects that serve to enhance strategic skill partnerships between business and education;
 - expanded use of targeted incremental post-secondary initiatives, such as is being used to double the number of students in

computer-related studies and high demand engineering, to address skill shortages;

- consider longer-term alternatives, such as a more student-driven funding system, to replace some or all of the province's grants to colleges and universities.

7.(GP/E) Develop a new "Charter for Colleges" for the 21st Century, to take greater advantage of their potential as significant contributors to the economy, by allowing them to be more market-driven and more flexible. This would help facilitate:

- more private sector partnerships;
- increased community college/university cooperation to provide for collaborative programming, innovative partnerships, and easier movement between colleges and universities;
- meeting the needs of students seeking both theoretical and applied education, including improved credit recognition, and applied degrees.

2) PROMOTE STRONG EMPLOYMENT SKILLS AND A COMMITMENT TO LIFELONG LEARNING

To achieve the province's economic and social potential, all segments of Ontario's economy -

individuals, businesses, unions, associations and governments – must work more effectively together and invest more time and commitment in learning. This means ensuring that advanced education and training is accessible.

It also means ensuring that the credential's skills and experience people have earned in institutions or on-the-job, in Canada or elsewhere, are recognized and valued. A formal system to recognize learning and experience must be as widely accepted as possible in Ontario, Canada and globally.

IDEAS FOR ACTION:

1. (I/B/GP) Commit to lifelong learning, and the desire and ability to continually upgrade skills and knowledge. Specific objectives include:

- As a minimum, every Ontarian should complete secondary school.
- Strategic investment in the capital needs of institutions to meet demands – brought on by demographic change, ever-increasing skill requirements and commitment to lifelong learning.
- In considering investments in expanding capacity take into account cost-effective use of classroom space and maximizing opportunities presented by new technology.

2. (I/B/E/GP) Provide Ontarians with a “Skills Passport” enabling them to market themselves by showing employers the skills they have acquired. To achieve this objective:

- The “Skills Passport” would record skills acquisition based on a provincial accreditation system that would validate learning that occurs in both formal and (where appropriate) informal settings acquired in Canada or abroad.
- Core standards for employability and specific skills would be developed through a partnership of government, industry and educational institutions.
- The passport would provide a common language around the availability and level of skills and help address any disparities between the skills expectations of employers and the learning outcomes of educational institutions.

3. (B/GP/GF) Develop a system to ensure that financing is not a barrier to qualified and motivated students pursuing post-secondary education and training. Initiatives to meet this objective could include:

- Federal and provincial governments working with financial institutions to develop income-contingent repayment

“I would recommend this solution: teach people how to learn. Teach them how to study, how to research and how to learn independently...”

*—Premier’s Conference youth presenter,
Toronto*

KNOWLEDGE AND SKILLS FOR PROSPERITY

"We need to know what kind of jobs will be available so we know what kind of courses to take."

—Youth participant in Queen's Executive Decision Centre Consultation

options for their student loans, including providing interest relief, extended repayment periods and debt relief where students are experiencing financial difficulties in repaying their loans.

- Increased private sector involvement, including more donations to institutions and more scholarships.

4. (GP/GF/B) Expand current marketing efforts to attract more skilled immigrants and immigrant investors to Ontario. The Government of Ontario, working in partnership with occupational regulatory bodies, educational institutions and community agencies serving immigrants and employers, should expand and expedite their efforts to remove barriers that prevent qualified new Ontarians from fully participating in the economy and contributing to meeting the skills needs of the province.

5. (GP/E/B) Establish an Ontario "Distance Education Network", which would bring lifelong learning to Ontarians regardless of where they live or work and when they learn, through information technology.

The Internet and advances in digital technology have revolutionized distance and continuing education. These now provide a more flexible and client-focused component to our education

infrastructure, by making education and training more accessible and affordable, and allowing adult learners to work at their own pace where and when they choose. Distance education, by removing physical barriers, also helps provide disabled persons with greater access to education and training.

The expansion of distance learning is a way to help address education and training capacity pressures without building new "bricks and mortar" infrastructure.

Information technology also has the capacity to bring the world into the classroom and the home and to connect them to workplaces and to new sources of information and applied learning opportunities. The expansion of distance learning can serve as a catalyst for enhanced partnerships among educators and trainers, business and community organizations in the delivery of training and the development of learning content. It can also be a powerful vehicle for on-site employer-based training.

The review of the mandate of the Ontario Educational Communications Authority (TVO) provides an opportunity to expand the role of technology in providing distance and continuing education opportunities in a system of lifelong learning.

6. (GP/E) Develop a province-wide virtual library
- a single “digital library”, accessible through the Internet to broaden access to high quality library resources – by building on initiatives already underway, such as the Network 2000 strategy that is building a provincial library network as well as connecting all of Ontario’s public libraries to the Internet.

3) FACILITATE SMOOTH SCHOOL TO WORK AND JOB TO JOB TRANSITIONS

Transitions from school to work are becoming longer and more difficult. High youth unemployment rates are only one reflection of this. To help break the cycle of “no experience, no job; no job, no experience,” all students should have the opportunity to gain workplace exposure. Our young people must also have access to the information they need to make responsible, informed decisions about their futures.

With new ways of doing business and more and more people working outside conventional employer-employee relationships, most people will go through a succession of job and career changes. The unemployed and people whose jobs are threatened require solid training and employment services to help them adjust and move forward.

All Ontarians will need to be aware of their potential and, when necessary, reinvest in their skills. They will need to be able to sell their abilities, knowledge and expertise. They will require reliable information on which jobs and careers offer the best prospects.

IDEAS FOR ACTION:

1. (B/E/GP) Provide a much larger percentage of secondary school students with work exposure, through initiatives such as community volunteering, and increasing employer participation in school-to-work programs like co-op education, internships, work shadowing and summer jobs.
2. (B) Significantly increase work experience for post-secondary students through more co-op education, internships, and work placements.
3. (GP/GF/B) Establish a single, simple-to-understand, made-in-Ontario, employment services and training system, eliminating duplication and overlap between the federal and provincial governments. Specific components should include:
 - youth employment services and programs; and
 - adult employment services and training programs.

KNOWLEDGE AND SKILLS FOR PROSPERITY

"To create an innovation culture, we need to identify the interests and aptitudes of students early on, including early exposure to various occupational options, and training geared to specific market demands. We need a renewed emphasis on co-op and apprenticeship programs and entrepreneurial skills training using successful practitioners in the field."

—Premier's Conference Participant,
Sault Ste. Marie

4. Establish current, easily accessible sources of career planning and labour market information to assist Ontarians of all ages in making informed career and learning choices. These should include:
 - A network providing information on career opportunities, job postings, future prospects, and occupational characteristics such as compensation, location, and skill requirements.
 - A specific youth component whereby students and out-of-school youth can make direct links to employers and vice versa, allowing for the exchange of job-specific information, job descriptions and resumes, and co-op or mentoring opportunities for youth.

PERFORMANCE MEASURES

Possible measures could include:

- Educational attainment levels for Ontarians
- Number of adult Ontarians who have completed advanced education or training.

Increased work experience for students

- Percentage of secondary school students and post-secondary students who have workplace exposure, through co-op placements, mentoring, job shadowing or community volunteering.
- Private sector investment in training, including sector-based training programs

Access to distance education for all Ontarians

- Percentage of Ontarians who have technology-enhanced access to distance and education.

Market-responsiveness of Educational Institutions

- Percentage of students working in their chosen field of training
- Student and employer satisfaction with education and training programs

INNOVATION CULTURE

STRATEGIC GOAL:

Ontario will be a leader among North American jurisdictions within the next ten years in building “innovation capacity” throughout the economy and in translating ideas and research into commercial success.

THE CHALLENGE

Innovation means doing new things and doing things in new ways. Innovation can include a new marketing technique, management system, fashion design or production process. Innovation is the cornerstone of a growing, knowledge and ideas based economy, in a world in which rapid change is a constant.

As a society, Ontario needs to embrace innovation. We need to support and move innovation within and across the full “innovation spectrum,” from leading edge research to process improvements in our manufacturing facilities, from our management and marketing expertise to our cultural and artistic expression.

Our ability to maintain and raise our living standards depends on improved productivity and our ability to maximize innovation throughout

the economy – by individuals, institutions, organizations, communities and businesses. In the new millennium, our capacity for innovation will be vital in gaining and maintaining competitive advantages. Moreover, beyond our ability to develop our own technologies, discoveries and ideas, we must also be prepared to seize economic opportunities by improving on others’ innovations and technologies – creating better, value-added products, processes or services.

Innovation sets in motion a chain reaction of economic development. For example, a firm’s ability to offer customers something different, distinctive, or unique is a clear competitive advantage. It becomes the basis for success and increasing productivity through meeting customer needs. This success sets the stage for sustained job creation over time.

To meet this challenge:

INDIVIDUALS need to develop a culture (in families, schools, firms, organizations, institutions and communities) that fosters and encourages initiative, creativity and risk-taking so they can be confident doing things in new ways, creating new products, services and technologies and responding quickly to change.

Our human potential needs to be better linked with the tremendous economic opportunities in the knowledge-based economy such as the growing need for the development of quality content for digital industries and electronic commerce.

Digital technology will be the basis of much of the innovation that will take place in new products, new services and new ways of doing business. Information and communications technology and new marketing arrangements will create the pressure and opportunities for innovations in all kinds of non-technological areas, from arts to auto parts.

The Internet makes it possible for anyone, practically anywhere, to participate in global markets, as a buyer or as a seller. All the relationships between the end consumer of a product or service and the producer are open to change. Internet sales of books, computers, even automobiles, are growing at a rapid rate. One major car company forecasts that 25 per cent of their vehicle sales will be via the Internet within the next few years.

INNOVATION CULTURE

"What's really interesting about innovation is not the technology... what's really exciting is who the innovators are..."

—Premier's Conference presenter,
Kingston

BUSINESSES need to sponsor and champion the generation of ideas and accept the value of risk-taking and failure. This means looking at their own processes, practices, policies and structures and what changes and improvements will strengthen their innovation capacity, human resources and globally-oriented operations and strategies.

GOVERNMENTS need to undertake bold and unique actions to remove impediments to innovation and review the incentive structures so that risk-taking and success is not penalized. Governments need to take a forward looking approach to the quickly changing regulatory and standards environment to ensure that approaches will have the biggest positive impact on competitiveness and that we can seize emerging opportunities. Governments should provide leadership by fostering an environment in which innovation and entrepreneurship can flourish; be more innovative in the delivery of services and programs; and be a more sophisticated and demanding customer.

EDUCATIONAL AND RESEARCH INSTITUTIONS need to strive for excellence and relevance and adapt to change and respond to market opportunities. They need to strike a balance between the need to engage in basic research,

applied research and the transfer and commercialization of new ideas.

COMMUNITIES need to focus on building their strengths and generating economic opportunities. By creating innovation-supportive environments: entrepreneurs and innovators can prosper, local champions of innovation are recognized and supported, and economic clusters and niche business opportunities are nurtured and supported.

INSTITUTIONS, GOVERNMENTS, COMMUNITIES and INDUSTRY need to build partnerships, alliances and linkages to foster people-based networks for innovation, multi-disciplinary groups – or “Renaissance Teams” – and enhance the growth of economic clusters.

THE CURRENT SITUATION

- Canada leads the G-7 countries in the penetration of cable, telephones and home computers and is second only to the U.S. in terms of Internet host penetration.
- Canada is expected to have the second highest computer-in-use ratio in the year 2000.

- Canada has the highest debit card use per capita in the world – 10 times the usage of that in the U.S.
- Ontario companies lead Canada in their ability to use advanced technology. But small- and medium-sized firms in Canada are weaker at adopting new technology than their U.S. counterparts.
- Ontario has a smaller share of firms in the mid-size (100-499 employees) and large (500+ employees) categories than many of our American competitor states.
- Ontario's business sector research & development spending rates are approximately 1.3% of GDP, despite generous R&D tax incentives (1996). This is compared to G-7 countries like Japan and the U.S. where business sector R&D spending is in the range of 2.0% of GDP.
- Ontario has a smaller number of researchers per capita (per 1,000 of the labour force) than Japan, Germany, France and the U.S.

WHAT'S BEING DONE NOW

- The Ontario Ministry of Energy, Science and Technology was created in October 1997 to ensure that Ontario is recognized around the

- world as an innovation leader, where advances in science and technology fuel economic growth and create long-term, high value jobs.
- Ontario businesses are making use of several federal and Ontario tax measures introduced to support private sector investment in R&D and innovation.
- The Wisdom Exchange and Innovators Alliance are initiatives that bring together the provincial government and the private sector to accelerate the growth of fast-growing, innovative firms and to help these firms connect with each other and business service providers.
- The recently established Institute for Entrepreneurship, Innovation and Growth at the Richard Ivey School of Business in London, Ontario, focuses on entrepreneurs and their contribution to economic growth and society.
- The Niagara region is Ontario's principal wine producing region. Complementing the wine industry is Brock University's Cool Climate Oenology and Viticulture Institute which conducts research and training in cool grape and wine production. The growth and popularity of wine-tasting tours is making the Niagara region an even more attractive international tourism destination.

INNOVATION CULTURE

"Establishing an innovation culture isn't simply about the transformation of a technological product, but more importantly, about the transformation of an entire society... Every successful innovation requires an investment, whether the funding source is the public or private sector... Every idea that succeeds in the marketplace started out as a research project."

—Premier's Conference presenter,
Sault Ste. Marie

(I) Individuals (B) Businesses
(E) Educational Institutions
(G) Governments: (GF) Federal;
(GP) Provincial; (GM) Municipal

- NORCAT (Northern Ontario Centre for Advanced Technology) in Sudbury is a not-for-profit corporation set up to provide fee-for-service expertise and resources leading to the commercialization of new technology and processes for the mining sector and other industries.
- Communitech is the partnership of technology and technology service companies, educational institutions, and governments working together to grow leading-edge business in Canada's Technology Triangle (the cities of Cambridge, Guelph, Kitchener, and the Regional Municipality of Waterloo).

IMPLEMENTATION STRATEGIES

1) BUILD INNOVATION CAPACITY THROUGHOUT THE ECONOMY

Ontario needs to create, in our communities, institutions, governments and businesses, supportive environments and partnerships, so that entrepreneurs and innovators can prosper, local champions of innovation are recognized and supported, and economic clusters and niche business opportunities are nurtured and supported.

Ontario needs to start building innovation capacity in our innovators of the future by valuing and fostering creativity and entrepreneurship throughout Ontario's education system, our institutions, and society.

There are countless examples of Ontario's world-class excellence in all aspects of innovation. Ontarians need to recognize, celebrate and market our innovation successes and champions both here and abroad.

IDEAS FOR ACTION:

1. (GP/E/B) Promote entrepreneurship and innovation learning at an early age and continue through the education system, by:
 - Teaching courses in entrepreneurship and business in secondary school at the local community level. Suggested initiatives include:
 - establishing local community groups that teach entrepreneurship through a combination of classroom training and the provision of local-level experience; and
 - following through to post-secondary education with courses in business management and intellectual property in disciplines like engineering and fine arts.

- Businesses and educational institutions working together to arrange school visits by renowned scientists, business leaders and other role models to speak to students about opportunities and encourage the mentoring of students.
 - Encouraging inter-disciplinary projects and co-operation between fields of research and disciplines at the post-secondary level, in the private sector and in our institutions.
 - Encouraging business and management schools to expand their teaching of entrepreneurship and to establish effective linkages with those involved in commercialization of research and the formation of new companies.
2. (B) Become more innovative in the way the private sector competes globally, through, for example, using leading edge research and technologies, being more export-focused, and using sophisticated products.
3. (B/GP/GF) Seize business opportunities created by electronic business in the new digital economy. To achieve this objective:
- The provincial government should demonstrate leadership in creating the right climate for electronic business, so that the

appropriate rules and supporting activities are in place, and should also explore and implement new ways of doing its own business electronically.

- The federal government should strive for a Canada-wide approach to ensure that the key elements of security, privacy and consumer protection are in place.

4. (I/B/E/GP/GF/GM) Raise awareness of community and local innovation, by developing opportunities to shine a spotlight on our successes and excellence, such as high-profile annual innovation awards celebrations.

2) PROVIDE AN APPROPRIATE INCENTIVE STRUCTURE TO CREATE AN INNOVATION CULTURE

It is important for Ontario to foster economic and social conditions where rewards are commensurate with risks. We should reward innovation through our financing system, including community-based vehicles, tax system, research and development and learning institutions. We should strive to eliminate impediments to innovation wherever they exist.

Economic clusters – the geographic concentrations of interconnected firms and institutions in a particular field – are increasingly important to economic growth and success because they enhance productivity, foster innovation and spur new business formation. The strength of a cluster comes from:

- the proximity of clustered firms, reaping the benefits of critical mass;
- interconnected buyers, suppliers and competitors, pushing each other and enabling constant improvement; and
- “anchor” institutions such as a university, college, research institute or networking organization that provide research, skills or know-how of relevance to the cluster.

Kitchener-Waterloo is part of Canada's Technology Triangle, which is home to over 100 software firms. Many of these firms have developed from, or were started by, graduates of the University of Waterloo's world-renowned computer science and computer engineering programs. The university conducts extensive research in software design and development, and produces a steady stream of high-quality graduates.

INNOVATION CULTURE

Examples of cluster development can also be found in other parts of the province.

We need to improve our understanding of cluster formation, linkages and relationships, as well as cluster strengths, weaknesses, opportunities and threats, in order to enhance innovation and competitiveness in the Ontario economy and build stronger local economies.

Information technology and modern telecommunications are increasingly allowing firms and other cluster participants to be inter-connected regardless of their location in Ontario or the world.

In economic clusters, demanding and sophisticated customers create the need for innovation – producing unique products and facilitating unique processes. Clusters foster innovation through world-class suppliers, skilled local labour, knowledgeable local capital, creative local researchers, supportive and information-rich networks and a mutual interest in working together to create innovative new goods and services.

We need to attract and retain the ‘best and brightest’ researchers, educators and business leaders. These individuals will act as magnets for new investment and in turn attract the best researchers and innovators, generate spin-off companies, and attract private sector investment.

Within firms, there is a growing need to engage in continuous and unique product, process and service improvements and innovations that result in competitive advantages.

IDEAS FOR ACTION:

1. (GP/GF/E/B) Attract and maintain the ‘best and brightest’ by:

- Encouraging the private sector to provide more support for post secondary scholarships and instituting other measures to attract high quality researchers and faculty in universities and colleges.
- Raising awareness of Ontario’s strengths and opportunities among the best and most promising researchers and innovators around the world.
- Focusing research dollars on creating specialized, internationally recognized research institutions/networks.

- Focusing government support, and encouraging private-sector participation, toward the creation of world-class institutions.
 - Addressing high federal income tax rates on higher income earners – one of the key factors causing a “brain drain” from Ontario to the United States.
2. (GP/GF) Create conditions that do not penalize risk-taking, including:
- Implementing appropriate rules to protect intellectual property.
 - Reviewing existing R&D tax incentives to assess their effectiveness in attracting and keeping R&D performers in Ontario and increasing R&D.
 - Protecting access to international markets through the World Trade Organization and NAFTA.
3. (B/GP) Increase private sector involvement in information sharing and networking activities – such as the Innovators Alliance – to strengthen the management capabilities of small innovative growth firms.

4.(GP/GM/B/I) Improve access to capital, by:

- Improving information on access to capital for small businesses and start-up firms by providing links to alternative financing, through initiatives such as:
 - supporting communities to develop web sites focused on local financing alternatives;
 - working with the private sector and external organizations to set up and maintain the web sites; and
 - supporting and building on existing community-based initiatives.
- Considering measures and vehicles to facilitate private investment to seed small, Ontario-based start-up stage companies. Initiatives could include:
 - reforming securities regulations; and
 - encouraging additional investment by "angel" investors through the tax system.
- Examining ways (such as tax measures) to encourage larger R&D performing firms to provide minority equity investments in small innovative Ontario companies.
- Examining options to address emerging economic cluster investments that could

meet financing needs that go beyond the current "comfort zone" of private investment sources.

- Recognizing "angel" investment infrastructure needs in communities and/or sectors, and support cluster-development initiatives geared to "best practices," information sharing and networking, such as local investment matching services, investor forums and investor-readiness seminars.
- Facilitating the creation of local community-based financing mechanisms including re-examining the effectiveness of current mechanisms.

3) INVEST IN RESEARCH & DEVELOPMENT AND NEW IDEAS

To support idea, product and process innovation and provide the mechanisms to turn them into commercial successes, Ontario requires a world-class research and development infrastructure and institutions.

Innovators should have what they need to stay and grow in Ontario, including factors such as access to financing and specialized services and expertise. It is also imperative that Ontarians know how to access this information and expertise when they have a good idea.

"Angel" investors are individuals who provide equity capital to small business and are a source of "informal" venture capital.

"The key to strong regional economies is building strong small businesses that will grow into larger enterprises"

*—Premier's Conference presenter,
St. Catharines*

INNOVATION CULTURE

As a key component of this innovation culture, Ontario needs to build awareness of and strengthen our “scientific literacy” (understanding and skill in biology, mathematics, chemistry, physics, biochemistry, astronomy, etc.) throughout the education system, our institutions and our society as a whole.

IDEAS FOR ACTION:

1. (GP/GF/B/E) Improve Ontario's capacity to support and evaluate R&D opportunities and to focus on priority innovation areas.

Suggested initiatives include:

- More investment in basic and applied research, to facilitate new ideas and discoveries.
- Creating a public/private vehicle to provide strategic advice and leadership on policies and priorities related to science and technology and to champion building innovation capacity throughout the economy.
- Development of a flexible support mechanism to address strategic research and leading edge opportunities not supported by current government programs.

- Increased access to research expertise in other jurisdictions by collaborating in research projects of mutual interest.
 - Companies profiling their modern technologies and scientific equipment and products in schools, universities and colleges.
 - Developing outcomes-based performance measures for R&D investments and activities.
2. (GP/GF/B/E) Maximize the benefits of federal science and technology programs and initiatives to Ontario research institutes and businesses.
 3. (B/GP/GF) Promote “scientific literacy” and raise awareness of science, technology and engineering opportunities. To achieve this objective:
 - Business leaders and researchers should be “mentors” for elementary and secondary school science and math teachers through summer courses, workshops, seminars and work assignments.
 - The government of Ontario should play a lead role in raising awareness of science and technology activities, establishing partnerships and leveraging support from other organizations with similar goals (e.g. Shad Valley, Professional Engineers of Ontario).

The provincial government should also play a lead role in championing Ontario's science, technology and innovation accomplishments and capabilities internationally through visiting scientists, scientific journalists, etc.

- Industry and professional organizations (through seminars and courses) should increase the adoption of innovative industrial processes and recognize outstanding performers.
 - Informed public debate should take place on the social and regulatory impact of scientific discovery and technological change and strengthen our literacy in science and technology.
4. (GP/B/E) Establish an accessible mechanism to help connect entrepreneurs, researchers and small or start-up companies to information and expertise on technology transfer and how to commercialize their ideas. This mechanism should also address issues concerning protection of and access to intellectual property and the creation of networks of experts in the commercialization of intellectual property.
5. (GP/B/GM) Support the development and commercialization of attractive, alternative energy technologies in Ontario – such as innovation in renewable energy and other

green sources of energy – to take advantage of innovation opportunities being created as a result of the restructuring of Ontario's electricity market and the growing emphasis on sustainable development.

PERFORMANCE MEASURES

Possible measures could include:

Building Innovation Capacity

- Measuring innovation change in industry – such as the number of firms engaged in innovative activities, where firms get their ideas, degree of product and process development, training undertaken by employees, whether firms are trading or not.
- The number of Ontario companies that grow to the mid-size (100-499 employees) and large (500+ employees) categories, with the goal of increasing to the same level as key competitor jurisdictions within the next five years.
- Ontario's position in the World Economic Forum ranking of company operations and strategies. This is a national ranking (Canada is currently ranked 15th, the U.S. 1st and Germany 2nd). Ontario could develop comparable indicators.

Toronto Star, February 8, 1999

"Fostering innovation...involves the creation of a whole new culture in which science plays a pre-eminent role. Such a culture must be nurtured in our schools, adopted by our businesses, and embraced by the workforce at large. In such a culture, we would honour and reward the people with new ideas and the teachers who disseminate them."

INNOVATION CULTURE

Translating Ideas and Research into Commercial Success

- Increases in Ontario's research scientists and engineers per 1,000 labour force.
- Increases in technology commercialization – e.g. increases in licenses and royalties received compared to U.S. levels; increases in new company formation to U.S. levels within the next five years.
- Growth in the use of advanced manufacturing technologies relative to competitor jurisdictions.

- The number of Ontario companies in the top 200 R&D firms, with the goal of Ontario being home to 10 of the top 200 R&D performing companies in North America within the next 10 years.
- Private sector investment in R&D as % of GDP, with the goal of Ontario ranking in the top ten in North America within the next 10 years.

STRONG GLOBAL ORIENTATION

STRATEGIC GOAL:

By the end of the next decade, Ontario will be one of the best international jurisdictions in terms of:

- Export and international trade performance
- Infrastructure to support the movement of people, goods, services and information
- Global citizenship and cosmopolitan outlook
- Preferred home for the world's "best and brightest"

Toronto will be ranked as one of the leading international city-regions for business and quality of life.

THE CHALLENGE

All segments of Ontario society need to recognize the importance of participating in the global economy.

Ontario is home to skilled and experienced people from 170 countries speaking 100 languages. Our ability to maximize the value of our diverse and talented population is our economic strength and enables us to compete successfully in the global

marketplace. A stronger global mindset is also key to the strategy of aggressively pursuing new investment.

New investment creates jobs. New investment, as a source of leading-edge processes, machinery and equipment, and international best practices, brings innovation. New investment can forge links to new international markets for Ontario's goods and services.

In addition to changing our collective attitude to think globally, Ontario needs to act locally – by ensuring, for example, that we have world-class infrastructure to connect our cities, communities and businesses with the global markets.

To meet this challenge:

INDIVIDUALS need to embrace a "citizen of the world" attitude, increase their self-awareness and understanding of their communities' potential in the broader global context, and prepare for the global economy by acquiring and maintaining in-demand work skills and international language skills.

BUSINESSES need to re-invest a greater portion of earnings into workforce skills upgrading and training, more innovative and productive business concepts and technology applications, domestic and international R&D to attract and retain the best and brightest, and international

Ontario's future is directly linked to our ability to sell our goods internationally. According to a 1998 Standard & Poors survey, only 15% of more than 14,000 Ontario companies with sales revenue less than \$25 million, actually export. Yet firms that sell internationally are more likely to be successful than those that rely only on domestic markets.

STRONG GLOBAL ORIENTATION

market development and marketing activities. They also need to unleash the private sector's potential to take on greater responsibility for developing, managing and financing traditional public infrastructure. Business leaders, in particular, need to act as pro-Ontario "ambassadors" in their international travels and business affairs.

GOVERNMENTS need to set a positive investment climate in terms of world-competitive business costs and marketplace regulations. Governments at all levels need to be fast, flexible and adaptable in order to meet the competitive challenges of a dynamic and ever-changing global economy; promote open and fair markets, domestically and internationally, and provide leadership in building the necessary working relationships among business, private and public institutions, and other jurisdictions.

EDUCATIONAL INSTITUTIONS need to equip our students and workforce – including both multi-generation Ontarians and newcomers – with the skills, training and entrepreneurship to do business in the global marketplace. They also need to ensure Ontario's educational standards match or exceed the best international benchmarks for academic performance; encourage international student exchanges and study programs; develop learning and research

partnerships with institutions in other countries; and act as catalysts for change as developers of new and better products, processes and technologies.

THE CURRENT SITUATION

- Ontario is strategically located in the heart of the Canadian and U.S. consumer and industrial market. Ontario's economy is integrated into the broader North American market, a \$6.7 trillion market of 380 million people.
- Ontario is one of the world's great trading jurisdictions. International exports equal almost 50% of the economic wealth generated in this province – higher than any G-7 nation. Canada and the U.S. form the largest trading partnership in the world with two-way trade exceeding \$413 billion in 1997. Of that total, Ontario-U.S. trade accounted for \$261 billion – making Ontario the third largest trading partner of the United States.
- Within North America, Ontario is considered part of the Great Lakes regional economy. Our major U.S. export markets include Michigan (40.2% of all exports to the U.S.), New York (11.8%), Ohio (5.7%), Illinois (4.7%) and Pennsylvania (2.7%).

- Ontario is a net exporter, selling \$236 billion worth of goods and services in 1997 and importing \$211 billion in the same year (international plus interprovincial).
- Ontario's share of total foreign direct investment (FDI) in the NAFTA region declined from 5.0% in 1989 to 3.7% in 1996.
- Ontario risks lagging behind neighbouring, competing U.S. Great Lake states in terms of investment levels in strategic highway infrastructure. Comparably-sized U.S. metropolitan areas, as well as some "second-tier" U.S. cities, are outperforming Toronto in terms of investment and reinvestment in quality urban infrastructure.
- Ontario is home to a strong telecommunications and information technology sector, but we risk lagging behind the U.S. and other jurisdictions in developing and rolling-out the next generation Internet if we do not act quickly.
- More than 200,000 immigrants come to Canada each year and over 50% settle in Ontario, particularly in the Greater Toronto Area. This diversity has helped build the GTA and surrounding region into Canada's only world-class city-region.
- The GTA and Golden Horseshoe region is home to almost 6.5 million people – over half

of Ontario's population – and generates over half of total provincial Gross Domestic Production. The Toronto city-region is the hub of provincial as well as national business, finance, manufacturing, telecommunications, transportation, culture and the arts.

- A recent survey of 800 executives by PHH Fantus, a U.S. location consulting firm, ranked Toronto as the fifth best city in the world for international corporate headquarters.

"We have the potential to be the economic hub of North America. But we need the ideas, vision and infrastructure to take us there."

*—Premier's Conference presenter,
Toronto*

*"We're in a world which is shrinking.
We're in a global economy."*

*—Premier's Conference presenter,
Sault Ste. Marie*

WHAT'S BEING DONE NOW

- *Ontario Exports Inc*, the province's lead trade promotion team, is working to improve Ontario's trade balance by providing basic export education and consulting, market intelligence, commercial advocacy and trade missions, targeted at small- and medium-sized enterprises and fast-growing innovative firms that currently export or need assistance to start exporting.
- The *Market Ontario* campaign, targeted at attracting and retaining international investment was launched in 1997 with the message that Ontario is "open for business" and that "The Future's Right Here."

STRONG GLOBAL ORIENTATION

(I) Individuals (B) Businesses

(E) Educational Institutions

(G) Governments: (GF) Federal;

(GP) Provincial; (GM) Municipal

- The Province has accelerated the completion of some of the key strategic links in the transportation system, including Highway 400 north to Parry Sound, Highway 407 in the GTA, and Highway 416 between Ottawa and Highway 401.
- Recent investments in "smart" infrastructure (containing and/or supporting knowledge-based technology) include:
 - an all-electronic tolling system on Highway 407;
 - *Geographic Information Systems* to improve business and citizen access to government databases, and to integrate provincial planning information;
 - *Service Ontario*, which shifts investment away from traditional hard infrastructure (government offices), to technology-based infrastructure (self-serve automated transaction machines);
 - *Telecommunications Access Partnerships* Program to improve access to the information highway by individuals, businesses and communities; and
 - Research and technology development for water conservation and wastewater treatment technologies

IMPLEMENTATION STRATEGIES

1) AGGRESSIVELY MARKET ONTARIO INTERNATIONALLY AS AN ATTRACTIVE PLACE TO INVEST

Every jurisdiction is vying for quality investment and the jobs it brings. For Ontario to maintain and enhance its competitive position, it will have to build on current efforts to market Ontario as a prime destination for foreign direct investment in North America, especially investment that supports greater innovation and provides quality jobs for a skilled workforce.

IDEAS FOR ACTION:

1. (GP/GF/GM/B) Deploy a first-class investment sales force, capable of:
 - Providing timely, knowledgeable and responsive customer service to potential investors;
 - undertaking corporate calling programs to respond to business retention and expansion needs and to pursue new investment opportunities;
 - responding to business information needs, including regulatory issues and training;
 - providing flexible, mobile and "one window" access for investor services; and

- providing sophisticated business information on Ontario's firms, economic clusters and industry sectors.
2. (GP/GF/GM/B) Expand Ontario's "tool kit" for attracting investment. This should include:
- Expediting regulatory approvals for new investments.
 - Meeting special infrastructure and training needs to support new or expanded investments.
 - Examining the need for a permanent, on-the-ground presence for Ontario in key investment source markets around the world.
 - Close monitoring of the investment-attraction strategies of other jurisdictions in order to stay competitive.

2) EXPAND ONTARIO'S TRADE WITH THE WORLD

In addition to building on Ontario's strong trade relationship with the United States, Ontario must identify and take advantage of opportunities to expand and diversify our non-U.S. international export markets as well as the types of goods and services we export.

Small- and medium-size enterprises should be encouraged to export and grow by expanding

their international markets. At the same time, Ontario as a whole needs to promote itself in the global marketplace, by celebrating and communicating our successes, to enhance world awareness of Ontario as a source of high quality, innovative and world-competitive goods and services and as a preferred place to invest.

IDEAS FOR ACTION:

1. (GP/GF/GM/B) Establish export networking and mentoring programs on a local/regional basis to promote export-driven growth within economic clusters and sectors, with experienced exporters acting as mentors.
2. (GP/GF/GM/B) Establish cluster- and sector-based Ontario trade missions, targeted to specific international markets.
3. (GP/GF/GM/B) Celebrate the successes of Ontario exporters by highlighting made-in-Ontario, innovative export products and services through peer support, media strategies and export achievement awards.

3) DEVELOP WORLD-CLASS INFRASTRUCTURE TO CONNECT ONTARIO TO THE GLOBAL MARKETPLACE

World-class infrastructure, including an internationally competitive transportation system, is crucial to Ontario's long-term success.

"...Ontario's small and medium sized enterprises need to be able to succeed in the international marketplace to sustain the standard of living we are accustomed to here."

*—Premier's Conference presenter,
Sault Ste. Marie*

STRONG GLOBAL ORIENTATION

"Around the world, the business of infrastructure is changing rapidly. To compete effectively in a global, integrated marketplace, nations the world over recognize that tomorrow's approaches will require more creativity, innovation and technology in the way infrastructure is planned, delivered, financed and used."

*—Premier's conference presenter,
Ottawa*

It is vital that we position Ontario's infrastructure as a source of competitive advantage that attracts business investment and job creation to the province, and capitalizes on the changes and opportunities being brought about by the digital revolution, by:

- Ensuring that our gateway infrastructure – including access to airports, border crossings and international telecommunications – is meeting the demands and expectations of Ontario's exporting industries, and contributing to their success in expanding global market share.
- Managing existing infrastructure assets more effectively by maximizing the efficiency, use and value of available capacity.
- Recognizing a role for greater private sector responsibility for traditional public infrastructure, as key to a broader strategy to maintain Ontario infrastructure at world-competitive investment/re-investment levels.
- Developing "smart" networks – infrastructure that supports knowledge-based industries – by facilitating high-speed broad bandwidth telecommunications platforms across the province.
- Establishing Ontario as a global leader for the next generation Internet and electronic

business, including applications such as distance learning, large-scale computing, tele-medicine/tele-health, tele-work/tele-commuting, visualization technologies and 3-D imaging.

IDEAS FOR ACTION:

1. (GP/GF/GM/B) Increase Ontario's capacity to invest in key infrastructure, by leveraging private sector financing for traditional public infrastructure, and making effective use of alternative financing and delivery mechanisms such as user pay, privatization, contracting out and private-public partnerships.
2. (GP) Review the provincial government's accounting treatment of investments in capital assets, to better reflect the distribution of their cost over their useful lives.
3. (GP/GF/GM/B) Eliminate systemic and infrastructure impediments to free movement of commercial and passenger traffic at international border crossings, by continuing to:
 - Co-operate among Canadian and U.S. federal agencies, municipalities and bridge authorities to streamline customs, immigration and toll collection procedures.

STRONG GLOBAL ORIENTATION

- Develop reinvestment plans for trans-border bridges, bridge plazas and approach highways.
 - 4. (GP) Focus the province's capital priorities on strategic investments to support growth and competitiveness, recognizing the importance of strategic highway corridors that connect economic clusters within Ontario and provide access to the Fort Erie/Buffalo, Niagara Falls, Sarnia-Port Huron, Sault Ste. Marie, Windsor/Detroit, and Pearson International Airport and other gateways.
 - 5. (GP/GF/GM/B) Get the most out of existing transportation infrastructure before identifying new investments. This will require:
 - Continuing to invest in the existing highway system to bring it up to standard. Timely investment in maintenance and rehabilitation reduces cost in the long term.
 - Wise short-term investment to avoid major rebuilding (and therefore reduce future investment requirements).
 - Protecting potentially valuable rail and utility corridors as future infrastructure corridors.
 - 6. (GP/GF/GM/B) Develop a shared provincial telecommunications vision, with the support of the R&D community and Ontario's regions, to facilitate the actions and financial commitments to implement the necessary infrastructure improvements.
7. (GP/GF/GM/B) Establish Ontario as a global Internet and electronic business hub, by:
- Pursuing a long-term vision of making "gigabit" Internet available to businesses and homes throughout Ontario, making this province the most information technology "connected" jurisdiction in the world and North America's electronic business leader.
 - Positioning the Greater Toronto Area as the focus for an all-Canadian Internet highway linked to Internet hubs and networks in Asia, Europe and the US. This initiative may include:
 - Developing a five-year business plan to facilitate the necessary financial and implementation partnerships; and
 - Upgrading R&D network infrastructure to "fully optical/next generation" for use by universities, colleges, health research institutes and the private sector.
 - Developing a network of at least 50 "smart communities" across Ontario within the next five years, through partnerships between the three levels of government and the private sector in each of the targeted communities. Connected to the global Internet, the smart

"Infrastructure is much more encompassing (than roads, sewer and water systems, and buildings)..."

When we look at infrastructure today, we're talking about things like telecommunications. We're talking about the human dimension, the social fabric, which expands the envelope and provides the platform..."

*—Premier's Conference presenter,
Thunder Bay*

"Leading-edge, smart infrastructure is exportable to the rest of the world. Look at how our telecommunications and high-tech industries are big sources of export earnings, and high-skilled jobs, for Ontario and Canada."

*—Premier's Conference presenter,
St. Catharines*

STRONG GLOBAL ORIENTATION

communities would gain sophisticated marketing tools to attract economic development, investment and tourism. Local businesses and citizens would also benefit from 24-hour access to:

- a full range of electronic business capabilities;
- community and government information, services and transactions; and
- local business, employment and tourism information.

4) PROMOTE GLOBAL CITIZENSHIP AND A COSMOPOLITAN OUTLOOK, AND POSITION ONTARIO AS THE PREFERRED HOME FOR THE WORLD'S 'BEST AND BRIGHTEST'

Building a more pervasive global mindset among Ontarian citizens, businesses and institutions is a necessity to capitalize on the opportunities presented by the global marketplace.

At the same time, Ontario needs an investment climate that strengthens the contribution of current and future immigrants to Ontario's economic prosperity, and recognizes and enhances the Toronto city-region's status as a globally renowned centre for business and quality of life.

The 'best and brightest' minds around the world will always have plenty of options, and as mobility becomes even easier, it is essential that Ontario is seen as an attractive location for these people to bring their talents. Ensuring Ontario's attractiveness is also key to stopping the "brain drain" of home-grown Ontario talent going to other jurisdictions.

IDEAS FOR ACTION:

1. (I/B/GP/GF) Support the free flow of goods and services between Canada's provinces and across international boundaries, by:

- acting as strong advocates for Ontario businesses operating in external markets;
- continuing to advocate the removal of trade barriers, through bodies such as NAFTA and the World Trade Organization.

2. (I/B/E/GP/GF/GM) Ensure all elements of Ontario society – business, labour, governments, educators, youth, and the media – understand the importance of participating in a global economy. Initiatives may include:

- a greater international dimension to post-secondary business curricula;
- student internships in international business settings;

- increased opportunities for international student exchanges and study terms;
 - increased international language training in elementary and secondary schools;
 - strengthening the ability of business, management, and engineering schools to study and teach how globally oriented operations and strategies can be implemented in all aspects of industry activities and functions; and
 - developing long-term connections with foreign students who have studied in Ontario and returned home, as contact points for Ontario firms doing business in international markets, and as future investors and immigrants to Ontario.
3. (B/GP/GF/GM) Aggressively market Ontario's cultural industries – film and television production, musicians, authors, designers, etc. – internationally highlighting their high quality, professionalism and expression of the unique Canadian experience.

PERFORMANCE MEASURES

Possible measures could include:

Investment competitiveness climate

- Establishing Ontario as one of the Top 10 jurisdictions for investment in North America
- Amount of NAFTA-bound Foreign Direct Investment (FDI) invested in Ontario

Export and international trade performance

- Tracking the growth of new exporting firms
- As part of an economic/export diversification strategy:
 - the growth of traditional U.S. export markets
 - the growth of Asian, European, Latin American and other non-U.S. international markets for Ontario goods and services

- Tourism activity and revenue generated by visitors to Ontario.

Infrastructure

- Condition and quality ratings of Ontario infrastructure

STRONG GLOBAL ORIENTATION

- Travel times for passenger and commercial movements across major international gateways, and operating speeds on mainline transportation corridors
 - Economic, social and environmental costs due to congestion and delays in urban areas and border crossings
 - Telecommunications, transportation, utility and other business costs
 - Number of new applications, services, jobs and export markets created as a result of the improved capabilities of next generation Internet
 - Ontarian households with “information appliances” such as computers, and connected to high-speed broad bandwidth telecommunications networks
 - Infrastructure capital stock per capita, and percentage of the infrastructure capital stock that is “smart” or technology-intensive
- Global citizenship and cosmopolitan outlook/Preferred home for the world’s best and brightest**
- Canadian-bound business immigrants and immigrant investors that choose Ontario
 - Percentage of Ontarians who are fluent in a second language
 - *Fortune* Top 3 ranking of Toronto as an international business centre and for quality of life, and *Fortune 500* companies that are headquartered in the GTA and Ontario

BUILDING ON OUR INDUSTRY AND REGIONAL STRENGTHS

STRATEGIC GOAL:

All regions of Ontario will realize their full economic development potential, and will be home to globally competitive, thriving businesses, economic clusters and communities within 10 years.

THE CHALLENGE

Ontario's large and diverse economy precludes a "one-size-fits-all" or "cookie-cutter" approach to economic development. Local business, community and educational leaders are best positioned to identify and capitalize on community and regional opportunities, strengths and potential.

In today's integrated global economy, we cannot control world economic forces and outcomes. We can, however, help to shape the ability of our businesses, communities and regions to seize global opportunities and build comparative advantages over their international competitors. We can create a competitive, dynamic business climate in our own communities and regions –

allowing Ontario firms to thrive and grow in the domestic marketplace, and to hone their know-how and skills right here in preparation for bigger, more lucrative global opportunities.

The revolution in telecommunications and electronic business is enabling all regions and communities to overcome distance and geographical barriers, and compete in the global marketplace. New technologies make it possible for all parts of the economy – including our traditional industries such as agriculture, resources and heavy manufacturing – to re-tool for greater productivity and growth potential. Ontario needs to encourage economic development approaches that recognize and build on the opportunities and strengths that exist in every region and sub-economy of the province.

To ensure long-term prosperity for Ontario's varied regions and communities, it is essential that we work together to strengthen the job-creating engines of Ontario's economy:

- Fast-growing innovative firms, many of them small- and medium-size enterprises, which are the leading edge of tomorrow's economy, and are responsible for a disproportionately large share of new job creation in Ontario.
- Economic clusters and industry sectors (see page 29) and industry sectors,

"Once we become aware of the unique circumstances of our region and explore what assets we have, we must then look ahead."

*—Premier's Conference presenter,
Kingston*

BUILDING ON OUR INDUSTRY AND REGIONAL STRENGTHS

"I don't think the government can lead in picking clusters, but when the clusters emerge, the government can support their development and continue its leadership in improving the environment for business."

*—Premier's Conference presenter,
Toronto*

consisting of firms with interconnected interests, which create jobs and investment and ensure competitive advantages for their communities and regions.

To meet this challenge:

INDIVIDUALS need to become actively engaged in the economic development process in their communities and regional economies. This means taking on the role of local "champions" to galvanize their communities around an action plan for economic competitiveness, growth and success.

BUSINESSES need to be better and faster in identifying emerging market trends, and in bringing new products and solutions to market. They need to reinvest a greater portion of their earnings back into R&D and training, and be more outward looking and export-oriented in their quest for continued growth and excellence. They need to maximize the benefits of "cluster synergy," from operations located in close proximity to inter-connected firms, suppliers, researchers, skilled workers and even competitors. They also need to set up business "leadership groups" to advance knowledge about – and the interests of – their cluster or industry sector, and work with counterparts in the local area to identify collective needs and opportunities of their cluster or sector.

All segments of the business community, including financial institutions, need to support and sustain a continuous, high-volume stream of business innovation and successful start-up firms, and venture capitalists need to be forward-looking to take advantage of opportunities in emerging markets and sectors.

GOVERNMENTS need to be adaptable and able to respond quickly to the continuous and rapid changes in the competitive global economy; encourage local business, education and government leaders to convene, collaborate and build more effective approaches for regional economic competitiveness and development; develop a true provincial-local partnership that eliminates unnecessary business costs and regulations, wasteful duplication, and creates positive climates for business investment; and develop the infrastructure and common platforms that support economic clusters and industry sectors and enable access to global markets.

The federal, provincial and municipal governments need to work together to increase the profile of Ontario's small- and medium-sized enterprises, high-growth innovative firms, economic clusters and industry sectors and investment opportunities in global markets.

EDUCATIONAL AND RESEARCH INSTITUTIONS
need to strengthen their role as regional economic development catalysts and cluster “anchors.” Post-secondary institutions need to continuously attract high-calibre students, researchers and teaching staff from around the world, produce graduates with world-leading business, entrepreneurial and technical skills, and perform leading-edge, commercially-viable research.

THE CURRENT SITUATION

- Different parts of the Ontario economy – Northern Ontario, rural Ontario, large urban centres, and the Greater Toronto Area (GTA) – have unique characteristics and potential.
- Ontario’s seven largest urban economies – the GTA, Ottawa, Hamilton, London, Kitchener-Waterloo, St. Catharines-Niagara and Windsor – account for 70% of all jobs in the province and 78% of job growth over the past five years. Most of Ontario’s key economic clusters, including nearly all fast-growing innovative firms, are also located in and around our seven largest urban centres.
- The cosmopolitan, diversity, personal safety and quality-of-life attributes of our large urban centres are key sources of competitive

advantage for Ontario – especially when compared to many U.S. cities.

- The GTA is distinct from Ontario’s other large urban centres, and warrants a special focus, because it faces a unique set of challenges and opportunities. The GTA is:
 - Canada’s primary world-class city-region;
 - home to the largest concentration of businesses and economic clusters in the province;
 - a gateway to the world for Ontario’s regions and other clusters;
 - coping with growth and congestion pressures that are unparalleled elsewhere in Ontario.
- As Ontario’s economic and population hub, the GTA’s long-term success is also crucial for the well-being of businesses and communities in other regions of the province.

WHAT’S BEING DONE NOW

- The provincial-municipal realignment of responsibilities has been a catalyst for more accountability, autonomy and strategic leadership at the local/regional level.
- Since July 1996, the number of Ontario municipalities decreased from 815 to 650.

BUILDING ON OUR INDUSTRY AND REGIONAL STRENGTHS

(I) Individuals (B) Businesses

(E) Educational Institutions

(G) Governments: (GF) Federal;

(GP) Provincial; (GM) Municipal

The restructured, consolidated municipalities are becoming more financially independent and better able to service their local business communities and taxpayers.

- New institutions for region-wide leadership and service delivery have been created, such as the Greater Toronto Services Board and area services boards in Northern Ontario.
- An integrated, one-window approach to regional economic development programs and services in Northern Ontario has been implemented.
- The Northern Ontario Heritage Fund Corporation has been re-focused toward the funding of infrastructure improvements and development opportunities in Northern Ontario.
- Current initiatives such as the Rural Jobs Strategy and Rural Youth Jobs Strategy are geared to promoting innovative technologies and building partnerships among Ontario's rural businesses.

IMPLEMENTATION STRATEGIES

1) ENCOURAGE MORE EFFECTIVE LOCAL GOVERNANCE ARRANGEMENTS TO SUPPORT LOCAL ECONOMIC DEVELOPMENT LEADERSHIP

Local governments need the right flexibility, scale and tools to support the growth and competitiveness of businesses, economic clusters and industry sectors in their communities and region – and to be competitive with other cities and regions around the world.

IDEAS FOR ACTION:

1. (GP) Modernize the *Municipal Act*, which has not seen a comprehensive overhaul since it was enacted in 1849. A streamlined Act could:

- define the limits of municipal regulatory powers, providing greater certainty for business;
- define a framework of local government checks and balances, for greater accountability;
- facilitate greater inter-municipal collaboration, including region-wide cost-sharing, planning and service delivery, to achieve more efficient economies of scale and savings for taxpayers; and

- Provide local governments with tools to manage their responsibilities and plan for economic development more effectively, based on a comprehensive review of the tools used by municipalities and regional economic development organizations in competing jurisdictions.

2) RECOGNIZE AND CAPITALIZE ON THE ECONOMIC DEVELOPMENT POTENTIAL OF THE GREATER TORONTO AREA AND OTHER LARGE URBAN CENTRES

Direct investment, firms and people from other nations are attracted to city-regions and large urban centres with a solid track record of a progressive business climate and quality of life. Urban economies are centres for the creation and exchange of goods, information and ideas, and the incubators of innovation and new enterprises.

Ontario's large urban centres exist in a North American continental marketplace, where they compete head-on with about 300 metropolitan regions in Canada and the U.S.

The Greater Toronto Area is the largest of the urban-centred regional economies in the province, and is a unique economic situation due to its international/multicultural status, its position as the centre of several key clusters, and

growth pressures that are straining the existing regional infrastructure.

In keeping with the progressive approaches being undertaken in other jurisdictions, the leadership and initiatives for urban regional economic development in Ontario should originate primarily from business, community and educational leaders in the cities and surrounding areas.

IDEAS FOR ACTION:

1. (GP/GM/B/E) Develop, through local leadership groups, urban-centred, globally-competitive regional economic development approaches. Key features of these approaches include:
 - Involvement by the region's economic leaders – for example, top executives from the region's largest and fastest-growing firms, presidents of the region's universities and community colleges, and key representatives from local governments and community groups;
 - Geographic coverage that corresponds with the urban/regional economy, labour market, and economic clusters;
 - Partnerships with international city-regions to improve the exchange of benchmarking, best practices and other economic development information;

BUILDING ON OUR INDUSTRY AND REGIONAL STRENGTHS

"A cookie-cutter approach to economic development will not work. One size does not fit all – instead, we should look at the potential of each distinctive region of Ontario."

*—Premier's Conference presenter,
Thunder Bay*

- Provincial-municipal and private-public cost sharing, and other support, for the strategy development process; and
 - Flexible provincial approach that recognizes the varying capabilities and resources available to communities.
2. (GP/GM) Use locally identified economic development priorities as inputs for provincial and local government investments in infrastructure, institutions (including universities and colleges) and programs.
3. (GP) Establish a “one-window” provincial government access point for each Ontario region and/or economic cluster, to support and facilitate their respective economic development priorities.
4. (GP/GF/GM/B) Identify and increase strategic investments in infrastructure to improve the exchange and movement of people, goods and ideas, and overall quality of life, in Ontario’s largest urban regions. Investment priorities identified through the Ontario Jobs and Investment Board consultation process include:
- *GTA and surrounding Toronto city-region (capital and investment planning support through the new Greater Toronto Services Board):* Integrating the GO Transit and GTA-municipal transit systems – service improvements and selected expansion of GO Transit rail services.
 - *Ottawa-Carleton: Transitway extension and new commuter rail services.*
 - Better integration between land use and transportation planning objectives.
 - Protection of abandoned and uneconomic rail corridors for future long-term uses.
 - Appropriate urban infrastructure cost-sharing arrangements, involving the different levels of government and the private sector.
 - Other “quality of life” – such as arts, cultural, environmental and tourism – infrastructure investments to improve the livability, vibrancy and international stature and attractiveness of Ontario’s large urban centres.
- 3) BUILD ON THE STRENGTHS, CAPABILITIES AND POTENTIAL OF NORTHERN AND RURAL ONTARIO**
- To ensure economic prosperity throughout the province, it is essential to create competitive and dynamic regional economies and communities in Northern and rural Ontario, and strengthen the ability of Ontario’s Northern and rural regions to seize global opportunities, by fostering a local

business climate that attracts growth and investment – from within and from outside the region.

IDEAS FOR ACTION:

1. (GP/GM/B) Increase the competitiveness and international market reach of Northern Ontario's key economic sectors, by:

- Developing a more internationally competitive tourism sector, especially in the areas of eco-tourism, adventure travel, Aboriginal tourism and higher quality accommodations and north-south transportation linkages.
- Increasing the volume and range of forestry products manufactured and exported, by encouraging investment in new manufacturing technologies, value added R&D, and international market promotion.
- Increasing Ontario's world share of exploration expenditures by supporting mining research, new mining technologies and value-added production; providing fair and equitable access to Crown mineral rights; harmonizing environmental and land use regulations; and promoting Ontario's geological potential.

■ Capitalizing on state-of-the-art telecommunications in Northern Ontario, and attracting businesses that will fully utilize this infrastructure and related technologies to their international competitive advantage.

■ Developing viable, non-traditional businesses in northern and First Nations communities as part of an economic diversification approach.

2. (GP/GM/B) Build on opportunities to develop and diversify Ontario's rural economy, by:

- Enhancing the performance of Ontario's agri-food cluster in domestic and export markets, and in new product services.
- Supporting improvements in rural water quality – an essential input for farming, food processing and rural quality of life.
- Supporting new technologies and management skills to advance Ontario's agri-food cluster ahead of its external competitors and improve food safety standards.

4) STRENGTHEN THE CAPABILITIES, AND OUR KNOWLEDGE OF, ECONOMIC CLUSTERS AND INDUSTRY SECTORS

Ontario's regional economic development approaches – for our Northern, rural and urban regions – should build on the strengths of existing clustered firms and industry sectors.

BUILDING ON OUR INDUSTRY AND REGIONAL STRENGTHS

"...All sectors need to collaborate in order to create a synergy of effort and outcome."

*—Premier's Conference participant,
Ottawa*

We need to create a business climate that will encourage interconnected as well as competing firms to draw on each other's strengths, increase their collective productivity, and create wealth and jobs in the host community or region.

To achieve this, we must:

- Ensure that firms have access to high-quality business inputs, both in Ontario and globally, including access to capital financing, leading-edge researchers, skilled workers, sophisticated suppliers, and strategic and specialized infrastructure.
- Foster the growth of supporting local institutions such as universities, colleges, research organizations and business associations that have a special competency in the knowledge or skills required by fast-growing innovative firms, economic clusters and industry sectors in the host communities and regions.
- Draw on external demand to "grow" Ontario small- and medium-sized enterprises by expanding their international export market share.

IDEAS FOR ACTION:

1. (B/GM/GP/E) Expand cluster- and sector-based approaches to economic development through:

- Increased co-operation among firms to accomplish mutual goals that go beyond the capacity of an individual firm.
- Investments that create widespread benefits for the sector as a whole and which may be difficult for an individual firm to justify;
- Strategic examination of cluster- and sector-wide strengths, weaknesses, opportunities and threats.
- Ongoing dialogue with governments about business climate and other issues that affect the cluster/sector's performance.

2. (B/GP/GM/E) Improve Ontario's cluster information intelligence through:

- Development of cluster "maps" of member firms, suppliers, institutions, markets, linkages and relationships.
- Early identification of emerging and evolving clusters.

3. (B/GP/GM) Upgrade cluster and sector performance through expanded private-public partnerships, such as:

- Cluster- and sector-based Ontario trade missions targeted to international markets
- Export networking and mentoring
- International trade shows

BUILDING ON OUR INDUSTRY AND REGIONAL STRENGTHS

- Skills training
- Product testing and standards development and initiatives
- University-based research programs
- Management effectiveness forums

PERFORMANCE MEASURES

Possible measures could include:

Regional strengths, capabilities and potential

- Growth of external investment in a region and local-based businesses
- Increase in fast-growing innovative firms and new business start-ups by region
- Growth of regional employment in knowledge, technology and export-intensive firms

- Growth of export-oriented firms in a region, their export volume and international market diversity
- Participation levels in economic leadership groups by local business, community and educational leaders

Economic clusters and industry sectors

- Growth in the frequency and size of Ontario's economic clusters, measured by the interconnected firms, institutions and jobs
- Growth of research institutions, including university- and college-based research programs in the region or sub-economy
- Growth in labour and total factor productivity of Ontario's key economic clusters and industry sectors, compared to competing clusters and sectors internationally.

"Any discussion about jobs and economic growth for the future of this region must include strategies for tourism... Tourism is the largest industry in the world and second largest in Toronto, behind financial services. It's also a major export industry, bringing foreign currency into this province."

—Premier's Conference presenter,
Toronto

FAVOURABLE INVESTMENT CLIMATE

STRATEGIC GOAL:

Ontario will be one of the best places in North America to invest and do business within five years.

THE CHALLENGE

Ontario has experienced robust economic growth and job creation since the mid-1990s, a recovery largely attributed to an improved economic climate. This improved business environment – including lower taxes and reductions in government red tape, each cited as a key factor in investment decisions – has enabled Ontario to once again take advantage of its comparative strengths, such as its excellent location, natural resources and well-educated workforce.

The challenge facing Ontario as we prepare for the new millennium is to maintain and accelerate this competitive momentum. We would like to see the benefits of economic growth more broadly felt across all regions of the province and all segments of our society. Every Ontarian should have the opportunity of high quality jobs, more take-home pay, and an improving standard of living. To achieve these goals, we must continue

to enhance Ontario's position as an attractive investment location.

All jurisdictions are aware of the need to attract new investment as a catalyst to economic growth and jobs. Globalization of markets, combined with the increasing mobility of capital and labour has intensified the competition. Ontario must not only heed the needs of current and potential investors, but must anticipate the needs of the future, to ensure a steady flow of new investments and new jobs.

Business and all levels of government need to work cooperatively, to market Ontario's goods and services to the world and to attract new investments that create high quality jobs.

A favourable business climate will continue to help Ontario:

- Foster new business start-ups in Ontario;
- Help existing businesses invest, grow and create jobs in Ontario; and
- Attract new businesses to Ontario.

To meet this challenge:

INDIVIDUALS need to take advantage of entrepreneurial opportunities, and ensure that governments and public institutions are accountable, efficient and adopt policies that foster a positive investment climate.

BUSINESSES need to keep ahead of competition, invest in new technology and workers' training, play a leading role in marketing Ontario abroad, work co-operatively with labour and communities to build a competitive economy, and forge partnerships with other businesses to strengthen industry clusters.

GOVERNMENTS need to be facilitators and catalysts to create a favourable climate for investment and job creation. This includes setting clear, appropriate and cost-effective rules and regulations to ensure a fair marketplace and to protect consumers and the environment; removing barriers to business activity; establishing incentive structures through the tax system and other means to promote investment; managing public finances effectively and responsibly; and investing in infrastructure to create competitive advantages.

Municipal – Municipalities are key in implementing the philosophy central to Ontario's economic success: "Think Globally, Act Locally." Many municipal governments are already teaming up with local businesses, community and education leaders, to realize the power of local approaches to economic development. Municipalities also have a role to play in working with each other to provide cost-effective, region-wide administration,

planning and service delivery, and in developing regionally-based economic development solutions.

Provincial – The government of Ontario's role is to ensure a favourable business climate for growth, investment and job creation across the province to the extent it can within its areas of jurisdiction. It also has a lead role in creating a positive image for the province and in marketing Ontario internationally as an attractive place to invest and do business.

Federal – The federal government has a dominant role to play in the health of our national economy. The choices the federal government makes on taxation, immigration, monetary policy and exchange rates, trade and spending policies are major elements in the jobs and investment climate in Ontario, as Canada's economic engine.

EDUCATIONAL INSTITUTIONS need to look outward to find new links to the economy and look inward to adapt themselves to the changing demands of the 21st century.

COMMUNITIES need to work with business, labour and governments to provide local conditions that support entrepreneurship, company growth and economic development.

FAVOURABLE INVESTMENT CLIMATE

THE CURRENT SITUATION

- Job growth has been accelerating, with 517,000 new jobs in Ontario since September 1995, including a record 200,000 new jobs in 1998.
- Ontario unit labour costs in manufacturing are down 23.5% since 1991 in U.S. dollar terms, however the decline in the Canadian dollar accounts for 68% of this improvement.
- Ontario average hourly compensation (wages adjusted for benefits and payroll taxes) in manufacturing in 1998 was lower than the average of the Great Lakes States, largely due to the weak Canadian dollar.
- KPMG's 1997 comparison of business costs in Canada, the United States and Europe ranked all six of the Ontario cities studied ahead of the best ranked United States city. Business costs in smaller Ontario cities are also lower than in Europe. In Toronto, they are lower than in all but three European cities while in Ottawa, they are lower than in all but two European cities.
- Ontario is on track for balanced budget by 2000-2001.
- The provincial debt is relatively high, at about 30% of GDP.
- The unemployment rate in Ontario has fallen more than two percentage points since 1995

but it is still more than two points higher than in the U.S.

- Between 1987 and 1997, 2 out of every 3 new jobs were created in the technology and knowledge-intensive industries.
- Ontario's output growth has averaged over 4% in the last two years.
- Real disposable income per capita remains about 10% below 1989 levels.
- According to the OECD, Canada's lagging productivity, combined with slow employment and investment growth – if left unchecked – could lead to a significant decline in the country's per capita income relative to the OECD average.
- Business investment has grown by an average of 12.9% in the last three years, partly due to the province's improved investment climate.

WHAT'S BEING DONE NOW

- There have been 67 provincial tax cuts since 1995. Tax initiatives have included:
 - 30 per cent reduction in provincial income tax rates.
 - Elimination of Employer Health Tax on small business and the self-employed.

- Eight year plan to cut small business corporation tax rate in half to 4.75 per cent – the lowest in Canada.
- Plan to cut provincial business education property taxes by more than \$500 million over eight years.

For 1998, Ontario's combined federal/provincial corporate income tax rate for manufacturers was four percentage points below the U.S. average.

- Ontario's Budget deficit has been cut from a projected \$11.3 billion in 1995-96 to an outlook of \$3.6 billion in 1998-99. Deficit reduction targets were exceeded in each of the last three years.
- Many changes have already been made to help trim both business and government costs:
 - Over 1,100 unnecessary regulations have been eliminated since 1995;
 - In the area of development and housing there is a revised building code, reduced development charges and a one-window approach for provincial land-use planning advice and approvals;
 - In the area of environment and resource protection there are simplified approvals under the Environmental Protection,

Water Resources, and Environmental Assessment Acts;

- Minimum wage has been frozen and workers compensation reformed.
- Ontario Hydro's 90 year monopoly on electricity generation will end, with the introduction of competition to the electricity market by the year 2000. Competition is expected to spur investment in new, cleaner generation, foster innovation, and result in the lowest possible energy costs for businesses and consumers.
- Government spending as a share of GDP is down to 16 per cent in 1998-99 from 19 per cent in 1992-93.

IMPLEMENTATION STRATEGIES

1) ENSURE SOUND FISCAL MANAGEMENT

One of the key factors in investors' decisions about where to invest their money is a jurisdiction's fiscal performance. Deficits and debts are seen as potential future taxes, and act as deterrents to investment. As such, one of the primary roles of the Ontario government in creating a positive investment climate is to ensure that the province's finances are spent wisely and strategically.

(I) Individuals (B) Businesses
(E) Educational Institutions
(G) Governments: (GF) Federal;
(GP) Provincial; (GM) Municipal

FAVOURABLE INVESTMENT CLIMATE

IDEAS FOR ACTION:

1. (GP) Put in place balanced budget legislation to provide assurances to Ontario citizens and potential investors that future governments will not run deficits.
2. (GP) Start paying down debt once the budget is balanced, to reduce the burden on the province's finances caused by interest payments.
3. (GP) Ensure that the public sector meets stringent fiscal and financial reporting requirements, and continue to publish ministry business plans outlining ministries' core businesses, key strategies and performance measures, to ensure that all tax dollars are being spent efficiently and wisely.

2) PROVIDE THE RIGHT CLIMATE FOR GROWTH AND INVESTMENT AND TO REWARD ENTREPRENEURSHIP

As capital becomes ever more mobile, all jurisdictions will be competing to be the most attractive investment locations. Ontario has many inherent strengths – its skilled workforce, exceptional location and abundant natural resources. To maximize the opportunities presented by these advantages, Ontario must also ensure that potential investors – both

internationally and domestically – get the appropriate return on the risks they are taking.

IDEAS FOR ACTION:

1. (GP) Foster a streamlined and effective regulatory environment, to ensure that all regulations are sensible and do not pose an unnecessary burden on business activities, by:
 - Encouraging greater choice, competition and fairness in the domestic marketplace.
 - Eliminating unnecessary duplication, red tape and waste at all levels of government.
2. (GP) Examine the existing tax system to ensure the best possible investment climate, removing programs that are not working and considering new ways to encourage private sector investment.
3. (GP) Continue to cut taxes in a way that stimulates investment and promotes economic growth.
4. (GP) Ensure taxpayers are protected by seeking voter approval before new taxes or increases in the rates of major taxes are implemented. This will provide greater assurance to potential investors that new taxes will not be arbitrarily imposed in the future.

5. (GP/GF) Continue to strongly advocate that the federal government cut employment insurance premiums and other payroll taxes, which inhibit job growth.

6. (GP/B) Encourage labour-management cooperation in building a competitive economy. All segments of our economy must work together to move forward, and the provincial government has a key leadership role in forging partnerships and resolving differences.

7. (GP/B) Ensure that the Province's legal framework provides a reliable and fair foundation for both existing and new ways of doing business, and that Ontario businesses have access to sophisticated business and financial services that support growth and innovation.

3) REMOVE BARRIERS TO BUSINESS ACTIVITY

Factors such as the regulatory burden and other government requirements have a major impact on investment decisions. While regulation is obviously necessary to set and enforce standards – such as protecting consumers and the environment – it is important to ensure that the regulations do not create unnecessary paperwork and “red tape,” and that they accomplish their objectives efficiently and cost-effectively.

IDEAS FOR ACTION:

1. (GP/GM) Ensure that new regulations pass a “business impact” test.
2. (GP/GM/GF) Continue to eliminate red tape and adopt regulations that are clear, sensible, effective and cost-efficient.
3. (GP) Take steps to ensure that Ontario businesses and consumers benefit from the growth of electronic business. The new digital economy presents tremendous opportunities for Ontario, and the government should be at the forefront of developing legislation and regulation to facilitate growth in the “electronic business” sector.

“We need to reduce the cost of doing business...”

*—Premier’s Conference participant,
Ottawa*

PERFORMANCE MEASURES

Possible measures could include:

Fiscal management

Ontario to regain triple-A credit rating

Investment and business growth

Ontario consistently ranks highly in major international surveys of business location, quality of life, and cost of doing business in North America

FAVOURABLE INVESTMENT CLIMATE

- Ontario's business investment as a share of GDP compared to its key competitors

Job creation and income growth

- Ontario's job growth compared to key competitors
- Ontario's unemployment rate consistently the lowest or among the lowest in Canada
- Growth of Ontario's income (GDP) per capita compared to key competitors

21 PRIORITIES FOR THE 21st CENTURY

The five “Destinations” set out in *A Road Map To Prosperity* – the strategies and specific ideas for action to achieve them – are intended as a guide towards Ontario’s future. They are “destinations” in the sense that they are where the Ontario Jobs and Investment Board believes Ontario should be headed in the new millennium; the journey itself must continue in perpetuity, as Ontario constantly responds to new challenges and new opportunities.

A Road Map to Prosperity was based on the Board’s firm belief that old approaches – rigid, single purpose organizations or simply leaving it up to the government to take responsibility for everything – are no longer viable. Ontario needs new, “horizontal” approaches, bringing together organizations and interests in new, more flexible ways around common objectives.

Most importantly, Ontario needs to champion and embrace change, not resist it.

While the Board recognizes that the Government of Ontario has a key role to play in the provincial economy, particularly in terms of leadership and facilitation, *A Road Map to Prosperity* is not a plan for the government alone. The strategies and actions in this report are intended for all elements of Ontario’s economy, working separately and together toward a shared vision.

All of the strategies and actions in *A Road Map to Prosperity* are interconnected, and they are meant to be taken as a whole. However, as a summary, the Board has singled out actions with particular importance and urgency. They are the Board’s “21 Priorities for the 21st Century”:

1. QUALITY AND EXCELLENCE

Establishing and maintaining standards that meet or surpass our international competitors at all levels of the education and training system are essential, to attract and retain the best and brightest researchers and innovators, foster an environment of business excellence, and promote innovative growth strategies.

- Accountability framework for elementary and secondary schools that addresses student performance targets and action plans
- Independent quality assessment organization for post-secondary institutions
- Focus government research support and encourage private sector participation toward the creation of world-class research institutions

2. INVEST IN LEARNING

To achieve the province’s full potential, all segments of Ontario’s economy must commit to continuous upgrading of skills and knowledge, both in our personal lives and in developing skills to meet workplace demands.

- A single, simplified made-in-Ontario system for training and employment services
- Commitment to lifelong learning
- More workplace training
- Ensure that financing is not a barrier to qualified students pursuing further education and training
- Expand the number of placements in universities, colleges and training programs, to keep pace with our growing population, skills demand and need for lifelong learning.

3. CONNECT EDUCATION TO THE WORKPLACE

Education and training should be market responsive – ensuring a match between skills learned and skills required in the workplace, and ensuring smooth transition from school to work and job to job.

21 PRIORITIES FOR THE 21ST CENTURY

- New “Charter for Colleges” for the 21st Century
- More college-university-private sector partnerships
- Increased community college-university cooperation to provide for collaborative programming and easier movement between colleges and universities.
- “Skills Passport” for Ontarians, demonstrating skills and experience they have acquired.
- Workplace exposure for all secondary students
- Improved career counselling and information available to Ontarians of all ages
- Significant increase in work experience for post-secondary students, including enhanced co-op education programs.

4. INNOVATIVE AND FLEXIBLE EDUCATION AND TRAINING DELIVERY SYSTEMS

Technology now has the capacity to bring the world into the classroom and the home, and we need to take advantage of the ability to connect students to workplaces, new

sources of information and applied learning opportunities.

- Enhance the use of advanced technology in learning
- Ontario Distance Education network
- Province-wide “digital library” network

5. ATTRACT AND RETAIN THE BEST AND THE BRIGHTEST

Attract and retain the world’s best and brightest minds – students, researchers, entrepreneurs, managers, professionals, and artists. They will act as magnets for new investment, and in turn attract more talent, generate spin-off companies and champions for an innovation culture.

- Raise awareness of Ontario’s strengths and opportunities among the best and most promising researchers and innovators around the world
- More private sector support for post-secondary scholarships
- Expand marketing efforts to attract more skilled immigrants and immigrant investors

- Ensure credentials earned in Canada and abroad have the widest possible acceptance in Ontario and abroad

6. BUILD INNOVATION CAPACITY

Innovation-supportive environments are important to ensure that entrepreneurs and innovators can prosper, new discoveries and ideas are recognized and commercialized quickly, economic clusters and niche business opportunities are nurtured, and local champions of innovation are supported. Innovators need to have information and expertise that is accessible, meets their needs and connects them to world class support systems.

- A public/private vehicle to provide strategic advice, leadership on policies and priorities related to science and technology, and to champion building innovation capacity throughout the economy.
- Accessible mechanisms to connect entrepreneurs, researchers and small or start-up companies to information and expertise on technology transfer, intellectual property protection and how to commercialize their ideas

- Flexible support mechanism to address strategic research and leading edge opportunities not currently supported by government programs
- Maximize the benefits of federal science and technology programs to Ontario research institutions and businesses

7. CELEBRATE AND PROMOTE OUR INNOVATION EXCELLENCE

We should shine a spotlight on our innovation and successes, from leading-edge technologies to artistic excellence, to position Ontario as a champion of innovation.

- High profile annual innovation awards celebrations
- Businesses profiling their modern technologies, innovations and scientific equipment in schools, colleges, universities, and the media
- Education and arts profiling their research and innovation

8. FOSTER ENTREPRENEURSHIP AND INITIATIVE

Recognition of the value and benefits of entrepreneurship, creativity and initiative should be continual themes within our education and training system and throughout our society.

- Expand entrepreneurship and business courses at the secondary and post secondary levels
- Strengthen youth exposure to mentoring, dialogue with innovation champions and leaders, interdisciplinary learning, community volunteering and real work experiences

9. BUILD “SCIENTIFIC LITERACY” AND AWARENESS

Understanding and embracing science and technology should be part of Ontario's "culture" – to enable the province to take full advantage of new opportunities in a rapidly changing world.

- Encourage business and science leaders and organizations to be champions, mentors and leaders to young Ontarians

- Increase access to research expertise in other jurisdictions by collaborating on international research projects

10. INFRASTRUCTURE FOR GROWTH AND COMPETITIVENESS

Strategic investment in the infrastructure and technology "enablers" are vital in sharpening Ontario's competitive edge and access to global markets.

- Strategic investments in infrastructure to improve the movement of people, goods and information within and between Ontario's cities and regions, and to our international gateways
- Establish Ontario as a global Internet and electronic business hub
- High-tech, interconnected network of "smart communities" – with infrastructure to support knowledge-based jobs – across the province

11. EXPAND ONTARIO'S TRADE WITH THE WORLD

Ontario is one of the world's great trading jurisdictions – exports account for almost half of the economic activity and wealth generated

21 PRIORITY AREAS FOR THE 21ST CENTURY

in this province. Increased exports are essential to our standard of living.

- Expand Ontario's market share of the U.S. market and diversify into emerging export markets around the world
- Promote export-driven growth in Ontario's small- and medium-sized enterprises
- Eliminate any capacity and systemic impediments against the free flow of goods within Canada and through Ontario's international gateways

12. ENHANCE OUR ATTRACTIVENESS IN THE GLOBAL ECONOMY

New investment creates jobs, facilitates economic diversification and encourages international best practices in Ontario.

- Aggressively market Ontario as a prime destination for foreign direct investment in North America
- Deploy a first-class investment sales force
- Exceed the expectations of active and prospective foreign investors with customer-focused, "one window" investor services

- Examine the need for a permanent presence for Ontario in key international investment source markets

13. A GLOBAL ORIENTATION FOR ONTARIANS

By embracing a "citizen of the world" global mindset, Ontarians will strengthen their self-awareness and potential for success in the global economy.

- Capitalize on our diverse multicultural population and business connections to international markets
- Champion the free flow of goods, services and ideas across provincial and international boundaries
- Expand international business, language training and student exchange programs

14. BUILD ON THE POTENTIAL OF ONTARIO'S CITY-REGIONS

Around the world, cities are the focal points for creativity, innovation, production and the supporting infrastructure. Ontario's seven largest urban areas account for 70% of all the jobs in the province, and will continue to be central in all economic development strategies.

- Local leadership groups, developing globally-competitive regional economic development approaches
- Priority attention to the economic challenges and opportunities facing the Greater Toronto Area and surrounding Golden Horseshoe – Canada's only global scale city-region

15. A STRONG LOCAL/REGIONAL ROLE IN ECONOMIC DEVELOPMENT

Economic development requires a "bottom-up" approach that should reflect the unique economic characteristics, strengths and potential of Ontario's diverse regional economies.

- Build on the opportunities to develop, diversify and expand the international market potential of Ontario's northern and rural economies
- Enable local governments with the right flexibility, scale and tools to be globally competitive with other communities and regions around the world

16. STRENGTHEN FIRMS AND INDUSTRIES

Ontario's future economic success will be largely determined by how well our firms, economic clusters and industry sectors perform in responding to change and seizing growth opportunities. We require creative approaches to develop fast-growing, innovative Ontario firms into larger, global players that are internationally competitive.

- Improve Ontario's investment climate, including better access to capital, R&D and skills
- Increase private sector involvement in information-sharing and networking activities to strengthen the management capabilities and access to capital of fast growing innovative firms.

17. SOUND FISCAL MANAGEMENT

Investors see deficits and debts as potential future taxes, and money spent on interest payments is money not available for other programs. Ensuring that tax dollars are spent efficiently and wisely is essential in creating an attractive environment for new investment

and the jobs it creates, and to maintain the quality of life Ontarians desire.

- Legislation requiring balanced budgets
- Start paying down Ontario's large debt to reduce interest costs

18. PROVIDE THE RIGHT INCENTIVES FOR GROWTH AND INVESTMENT AND TO REWARD INNOVATION

Innovation is inherently risky and costly, and it is important to ensure that the appropriate rewards are in place so that risk-taking is not penalized.

- Continue to cut personal and corporate taxes
- Legislate a requirement for voter approval for new taxes, as a guarantee that taxes won't be increased arbitrarily
- Address access to capital gaps, to facilitate additional investment in fast-growing innovative firms and small businesses
- Review existing R&D tax incentives to assess effectiveness
- Encourage larger R&D firms to invest in small innovative Ontario firms

19. REMOVE BARRIERS TO BUSINESS ACTIVITY

Ontario must foster a smart, streamlined and fair regulatory environment that promotes competition, efficiency and innovation in the marketplace.

- Ensure new regulations pass a "business impact" test
- Continue to eliminate red-tape

20. FOLLOW THROUGH ON STRATEGIES AND ACTIONS

Taking the time to look into the future is important at all levels of the economy, and the dialogue should continue among people and organizations across the economy. A strategic planning cycle focusing on long-term outlooks should become a regular feature of the good governance and management practices at all levels of government.

As an immediate response to the ideas for action in this report, the government of Ontario should assign clear responsibility for guiding follow-through on the recommendations. This follow-through should include:

- leading the preparation of implementation plans;

21 PRIORITIES FOR THE 21ST CENTURY

- establishing and publishing appropriate performance measures; and,
- advocating action and act as a catalyst in forming “virtual network organizations” for each of the five destinations, to bring together action-oriented alliances of shared interest and shared commitment.

21. MEASURE OUR PROGRESS

Performance measurement is critical in the implementation of this proposed strategic plan. An advisory group, comprised of private sector, academic and government experts should be established to develop appropriate measures to ensure that progress is being made and reported to the people of Ontario on an ongoing basis.

The work the Ontario Jobs and Investment Board has done to help Ontarians develop an economic strategy for the 21st Century is really the easy part – the biggest challenge we face is making our mission a reality.

The Ontario Jobs and Investment Board sincerely hopes that all sectors, communities and all Ontarians will embrace the proposals outlined in *A Road Map to Prosperity*. It is important that the dialogue around Ontario’s economic future continue, and that people and organizations across the province continue to discuss, plan, and take action to achieve our common goals.

APPENDIX 1 – WHAT WE HEARD

In the development of *A Road Map to Prosperity*, the Ontario Jobs and Investment Board and its three Special Advisory Panels undertook the largest and most ambitious economic visioning exercise in Ontario's history. Never before has a discussion about our collective economic future reached out to and engaged so many Ontarians in every region of the province, from all walks of life.

Our focus was long-term economic issues – identifying trends, gaining insight on regional differences and solutions, and hearing ideas and innovations. Not surprisingly, some of the input the Board received talked about more short-term, immediate policy considerations. These concerns and suggestions were referred to the appropriate government ministries for immediate consultation, allowing the Ontario Jobs and Investment Board to concentrate on developing and achieving a longer-term economic vision for Ontario.

Public input for this report was gathered through a variety of sources including:

- A series of seven regional Premier's Conferences on Jobs and Prosperity held in the fall of 1998: Ottawa/National Capital Region (Ottawa, October 15), Eastern Ontario (Kingston, October 19), Southern Ontario (St. Catharines, October 22), Northeastern Ontario (Sault Ste. Marie, October 26), Northwestern Ontario (Thunder Bay, November 6),

Southwestern Ontario (London, November 20), and Central Ontario (Toronto, November 27). Regional organizing committees were established in each region to facilitate conference invitation lists and ensure that participants were representative of the various communities and sectors in each region. Local sponsors also helped support the conferences.

- Community Discussion Guides, distributed through the regional organizing committees to Premier's Conference participants and individuals and organizations as further input to the Premier's Conferences.
- Facilitated discussion groups with individuals and organizations, including focus groups involving 287 youth, conducted by the Queen's University Executive Decision Centre.
- Consultations with key stakeholder groups.

The Ontario Jobs and Investment Board set out a process that would directly involve as many people as possible and provide opportunities for all Ontarians to offer suggestions by mail, fax and e-mail.

The public was invited to submit ideas and advice to the Board through the release of three Discussion Papers prepared by expert advisory panels on the following themes:

- Preparing People for Tomorrow's Jobs

WHAT WE HEARD

- Creating an Innovative Culture
- Creating Infrastructure to Support Growth and Competitiveness.

The Discussion Papers, produced in English and French, were distributed to more than 30,000 individuals, businesses, colleges, universities, labour groups and community organizations. The three Discussion Papers were also posted on the Ontario Jobs and Investment website at www.ontario-canada.ca/jobgrow

Each Discussion Paper was intended to stimulate public dialogue, ideas and suggestions, both for an overall vision and for specific actions to guide Ontario into the new millennium. The papers explored Ontario's economic strengths, weaknesses, opportunities and threats, and invited input from organizations and individuals across the province. Each Discussion Paper featured a tear-away questionnaire, allowing readers to mail or fax back their responses and comments. Many organizations and individuals took the extra step of preparing detailed written submissions for the Board's consideration.

The Special Advisory Panels supplemented the Premier's Conferences and Discussion Papers with more specialized consultation roundtables, summits and direct mail campaigns involving

key experts and stakeholders in the three respective fields.

The Discussion Papers were also central to the Premier's Conferences. Each conference followed a similar format, with presentation of ideas and questions by the members of the Ontario Jobs and Investment Board's three advisory panels. The panelists each presented a summary of their Discussion Papers, after which local representatives addressed the various themes from a regional perspective. Each of these segments was followed by an opportunity for questions/comments from the audience, with conference participants adding their own thoughts on the relevant issues.

Each conference also included a presentation by representatives of each region's youth. Their ideas and concerns are summarized in Appendix 2.

Conference participants assembled for a Working Lunch, during which they were asked to develop answers to specific questions around each theme area.

Afternoon sessions at each conference focused on the economic climate of the province and the region and discussion of regional needs for the future, followed by feedback from the Working Lunch sessions.

Through this approach, the Ontario Jobs and Investment Board was able to receive the input of more than 2500 people and more than 300 organizations. It is the Board's hope that this Report will generate further public interest in the important challenges ahead and that the input that has been sparked at a provincial level will continue at the local level in communities across Ontario.

STAKEHOLDER OUTREACH

The Preparing People Panel invited comment from stakeholders involved in or interested in education, training and employment services. These included schools, colleges and universities; labour and business organizations; local training boards; training delivery and employment services groups; student and parent organizations; and aboriginal groups.

The Infrastructure Panel hosted a series of consultation roundtables, bringing together Ontario and international experts and stakeholders in transportation, environmental protection, information technology, telecommunications, education and urban regional planning.

The Innovation Culture Panel benefited from a series of Innovation Summits held in June 1998 to get expert input from researchers, post-secondary institutions and the business and financial community.

A toll-free information line was also established, along with an interactive website to encourage as many Ontarians as possible to get involved, and discuss the issues and ideas so important to the future of this province.

"...Today's conference gives us an opportunity to express our ideas, and with our collective wisdom, perhaps solutions to find more employment for our youth and our citizens..."

*—Premier's Conference presenter,
Sault Ste. Marie*

JOB CREATION AND ECONOMIC GROWTH

The overwhelming message heard throughout the consultation process was that "Ontario has what it takes" to build and sustain a prosperous economy, for today and for future generations.

We were urged to capitalize on our key economic strengths and attributes: one of the best educated workforces in the world; a diversified population; good basic infrastructure; access to abundant natural resources; quality of life; and a strategic location in North America's heartland.

WHAT WE HEARD

"We need to approach the millennium much more cohesively as a region."

—Premier's Conference presenter,
Kingston

GENERAL COMMENTS:

- Competitiveness – Ontario's ability to vie against other jurisdictions and win – is very much a priority issue throughout the province.
- All regions and communities are eager to build their economies to maintain and create jobs for their citizens.
- As Ontarians, we have much to be proud of and to celebrate and our successes. Some examples of success stories worth emulating:
 - Hamilton-Wentworth has transformed itself from a region dominated by Dofasco and Stelco, to a highly diversified economy. Some of the region's biggest job generators today include health care, transportation and distribution, food processing and environmental services.
 - The Niagara wine industry reinvented itself, with extraordinary results. Ontario wines are now recognized for their quality internationally, and the Niagara region is now home to both a thriving wine industry and an international tourism attraction with its blossoming 'wine route.' Brock University in St. Catharines is benefiting from and contributing to the wine industry's success, with the first and only oenology program in the province.
- In Northern Ontario, we were told that communities once dominated by one or two industries are successfully creating knowledge-based service sector jobs to diversify their economies. In Sudbury, for example, the mining industry's share of total local employment dropped from 38% to less than 8% in the last 25 years.
- At the Premier's Conference in Ottawa, we heard the dramatic story of the region's economic turnaround that began in the 1980s. Today, the region has successfully reinvented itself – from a government-dominated economy to "Silicon Valley North," a hotbed for high technology, software development and telecommunications.
- Many Ontarians told us they feel far removed from the province's high-performance economic engines and innovation hotbeds. Resource industry dependent communities in Northern Ontario and rural parts of Eastern Ontario, for example, told us they have not shared in the economic recovery of most of the rest of the province.
- Many Ontarians, including numerous small business operators, continue to consider taxes too high. They told us that the government needs to do even more than it has in terms

WHAT WE HEARD

of lowering the tax burden. Suggestions included further tax cuts to make the province more competitive globally; tax incentives to stimulate small business start-ups; and more streamlining of rules, regulations and bureaucracy, by all levels of government, that stifle innovation and growth.

SPECIFIC SUGGESTIONS

People across the province reinforced a number of themes to guide the way Ontario should deal with change, and identified some specific areas needing attention. This input included:

- “One size does not fit all.” Ontario needs to take a ‘bottom-up’ regional approach to economic development, not impose solutions from Queen’s Park.
- Strategic partnerships between the business community and our education system are crucial, to optimize each region’s economic potential and capabilities.
- International marketing efforts should be more coordinated among different levels of government and relevant sectors, especially when targeting large plant investment leads.

■ It still takes too long to get government approvals. We were told that the government approvals processes should be streamlined to successfully close deals for new plant investments. Customized incentive packages and attractive tax regimes were also suggested as catalysts to ensure that these new investments locate in Ontario.

- Ontario should establish a one-stop government “window” for business registration and reporting requirements.
- Access to capital, especially for start-up and early growth companies, continues to be a problem.
- We need to do more to encourage more Ontario-bound immigrants to settle in Northern Ontario and other regions outside major population centres like the Greater Toronto Area (GTA).
- In Northern Ontario, we still have untapped potential in our natural resources. Unlock the bio-industry treasures of the vast northern boreal forests for commercial, but environmentally sustainable uses, such as: alternative medicine, bio-energy, eco-tourism and recreation, and sustainable resource management.

“The people who will be the most important influence... are those with the ability to change old behaviours and to focus on possibilities, not problems. Policies must be able to speak the language of that constituency.”

*—Premier’s Conference presenter,
Thunder Bay*

“Our communities face a daunting challenge. We need to grow our communities. We need to double their size. We need to build a vision of Sudbury with 300,000 people, Thunder Bay with 300,000 people and Sault Ste. Marie with 250,000 people.”

*—Premier’s Conference participant,
Sault Ste. Marie*

WHAT WE HEARD

"Infrastructure is the bridge to economic development."

—Premier's Conference presenter, Ottawa

"We can no longer rely upon any level of government – local, regional, provincial, or federal – to meet all our infrastructure needs."

—Premier's Conference presenter,
St. Catharines

INFRASTRUCTURE

We heard that most Ontarians believe that overall, the province can lay claim to a good system of basic infrastructure that has facilitated economic growth and our access international markets. Most of the discussion we heard centred on this question: How we will finance and manage the continuous requirement to maintain, renew and expand our infrastructure?

GENERAL COMMENTS:

- The provincial government has a strong leadership role to play by clearly articulating long-term provincial infrastructure priorities, consistent province-wide standards, supporting alternative financing mechanisms, and the terms and conditions for partnering with the private sector.
- People across the province pointed to models where the private sector is playing a greater role in delivering our infrastructure more effectively and efficiently and taking financing pressures off of the public purse. Examples of this include:
 - The private-public partnership to fast track the completion of Highway 407 in the Greater Toronto Area.
 - The transfer of federal airports, including Toronto's Pearson International and Ottawa's Macdonald Cartier International airports to non-profit local airport authorities.
- The revitalization of low-volume, rural railway branch lines by entrepreneurial "short line" operators.
- Ontario's expertise in innovative "smart" infrastructure – such as telecommunications and transportation – and expertise in delivering projects over difficult terrain and into remote areas, have the potential to translate into global market opportunities for our homegrown infrastructure providers and suppliers.
- All infrastructure development should be sustainable – economically, socially and environmentally. A starting point is making more efficient use of existing infrastructure by focusing our priorities on maintenance and rehabilitation before committing to building new facilities and systems. Older cities like Kingston and Toronto must look at rebuilding their aging, crumbling infrastructure, like water and sewer systems, to protect service reliability levels and the environment.
- We heard about the challenges many municipalities face in meeting their infrastructure obligations, at a time when citizens expect cost savings and property tax reductions from their local level of government.

- We heard from Northern businesses and residents who find the high cost of air transportation to be a barrier against investment, job creation and tourism expansion in their region.
- Modern telecommunications offer the promise of “shrinking the world” and helping Northern Ontario overcome its locational disadvantages. There was widespread excitement about the potential of telecommunications to revolutionize the way we do business, share ideas and information, work and access services like retailing. Innovations such as electronic business, home-based businesses and sophisticated international call centres rely on a broad bandwidth, high-speed information network. It is also considered the prerequisite 21st century link that binds educational, training, health care and other public institutions with business and individual clients.
- Notwithstanding the excitement and interest in high-tech developments, stakeholders across the province reminded us not to overlook the continuing and basic infrastructure needs of the still-important “traditional” sectors of our economy such as agriculture, forestry, mining and manufacturing.
- Tourism was highlighted as a sector offering huge potential for future growth and job

creation in all parts of Ontario. Virtually all of Ontario’s regions targeted tourism – and the supporting infrastructure – as a high priority area. Tourism is now the largest industry in the world. Expanding Ontario’s share of global tourism will require more destinations with international appeal and more attractions for visitors to see and do. Supporting hotel and transportation infrastructure will be essential.

SPECIFIC SUGGESTIONS:

- More flexible, innovative financing and legal structures would allow municipalities and other publicly funded agencies to borrow, partner and develop innovative approaches to meet their infrastructure investment needs.
- Provincial and federal leadership and support may be needed to work with the private sector to complete regional broad bandwidth telecommunications grids.
- Real-world pilot projects could showcase made-in-Ontario telecommunications technology to the world.
- Highway 401, Ontario’s primary export corridor, should be upgraded to a world-class, automated “smart” highway – and tied in with a paperless electronic border crossing system to fast-track international truck movements and to meet U.S. ‘superhighway’ standards.

“Demand around the world is growing for new and innovative approaches to infrastructure development. By encouraging Ontario firms to showcase their creativity and innovation in our domestic market, they become better poised to compete and expand in bigger global markets – translating into job creation and economic spinoffs here in Ontario.”

*—Premier’s Conference presenter,
Toronto*

WHAT WE HEARD

- To meet growing capacity needs, Ontario should expand and widen congested provincial highways and access routes to border crossing points.
- The private sector should be encouraged to develop more intermodal “piggy-back” terminals to support a shift in long-haul truck movements to rail. This would benefit all Ontarians by reducing emission levels and lessening wear and tear on public highways.
- Rapid transit in major urban centres needs to be improved, to provide more people with an alternative to driving their own cars. Underused rail lines should be explored as opportunities for lower-cost rapid transit solutions.
- Tourism partnerships between Ontario and neighbouring US states are needed to develop and market attractions on both sides of the border as a single destination “package”.

INNOVATION

Creating an innovation culture is widely accepted and supported as a key to future economic prosperity. Across the province, our consultations produced example after example of bright and creative people helping to make Ontario home to world-class, leading edge firms and technologies.

It was clearly evident that the champions, drivers and leaders for change and innovation are found in every sector and region of Ontario.

GENERAL COMMENTS:

- Ontario is under constant pressure to produce a steady stream of highly skilled workers, simply to sustain – let alone expand – our current levels of innovation and Research & Development. Employers in the Ottawa, Toronto and Southwestern regions told us that skill shortages today threaten their ability to grow their businesses in Ontario, particularly in the “information-intensive and data drenched” sectors such as new media, software development and telecommunications.
- Innovative partnerships and opportunities are emerging throughout Ontario, aimed at building on the core competencies of the local economy, and the skill capabilities and talents of the local workforce. Some outstanding examples:
 - Advantage Kingston, a community-based organization working on local economic restructuring issues. It consists of four educational institutions, including Queen’s University, and provides specialized technology programs for industry.

WHAT WE HEARD

- Communitech, a London-based, community driven technology association with 150 members. It is a partnership of the education, private and public sectors, built on the understanding that to compete successfully internationally, technology companies need to cooperate locally.
 - The Institute for Entrepreneurship, Growth and Innovation at the Richard Ivey School of Business in London, which provides small- and medium-sized businesses with management and product development skills.
 - Partners in Enterprise, a Brock University partnership providing a commercial intelligence and information retrieval service for local businesses in Niagara Region.
 - Bi-national, integrated degree programs in the fine arts, native studies, lottery and gaming, and law and security, offered by the three post-secondary institutions in Sault Ste. Marie, Ontario and Sault Ste. Marie, Michigan.
 - While commercialization is essential, we cannot abandon our commitment to basic and curiosity-driven research. Some educators cautioned that unless we support basic research in Ontario's universities, we could continue to lose some of our best and brightest to U.S. universities.
- Many Premier's Conference participants highlighted examples of key firms or individuals at the local level who have helped to create an innovation culture. Many argued that communities need a "critical mass" of entrepreneurs to grow – to collectively turn Ontario into a "magnet" that attracts more creative people and innovative firms to grow here, and serve world markets from here.
 - Entrepreneurs told us that small business still face a high regulatory and tax burden and inadequate access to capital. While Ontario has a very attractive R&D tax incentive system, participants felt that the many U.S. states offer more generous R&D tax incentives and subsidies. Some felt that we lack a U.S.-style financial infrastructure that supports and rewards risk taking.
 - The business community has relatively unsophisticated and underdeveloped information-sharing networks about market intelligence, compared to their U.S. competitors. Regardless of Ontario's success in capitalizing on our strengths and remedying our weaknesses, we should be always mindful that our global competition is improving continuously: It is getting bigger, fast and smarter.

"Social networks are as important as data networks."

*—Premier's Conference presenter,
London*

WHAT WE HEARD

"First, question. Second, innovate. And third, take entrepreneurial risk."

*— Premier's Conference presenter,
Thunder Bay*

SPECIFIC SUGGESTIONS:

- Although Ontario boasts one of the highest levels of post-secondary participation in the industrial world, we lack performance measures for quality and excellence – based on international benchmarks and best practices – to improve standards and returns on investment at all levels in the education system.
- Ontario's colleges, universities and businesses need to work even more cooperatively to develop and then take new technologies, processes and products to market faster.
- Our community colleges should have more flexibility and autonomy, some stakeholders suggested, to work cooperatively with industry and respond to market-driven demands for training and research.
- Mandatory courses on innovation and entrepreneurship, starting with primary school, should be implemented.
- We should celebrate our "champions" and leaders of innovation and entrepreneurship – in communities, in our schools, in our companies and organizations – throughout the economy.
- More emphasis is needed on technology transfer and commercialization – mechanisms to transform university-led R&D into commercial success stories.
- Ontario should participate in innovation trade fairs in key regional centres and on the Internet to share the latest scientific and technological developments, and to connect inventors and entrepreneurs with financiers.
- Innovative approaches do not necessarily require high-tech, capital-intensive investments. Examples of successful, relatively inexpensive innovations: year-round greenhouses heated by waste gases to reduce our dependency on fruit and vegetable imports, and eco tourism/adventure tourism opportunities to stimulate visitor spending in Ontario's vast wilderness areas.

PEOPLE

Throughout the consultation process, we heard widespread acknowledgment that Ontario's economy has turned the corner by moving into a period of growth and job creation. But Ontarians were virtually unanimous in pointing out that the province's unemployment numbers are still unacceptably high compared to U.S. jobless figures, especially among our youth and young adults.

GENERAL COMMENTS:

- Many Ontarians believe more should be done in leading the way to a more strategic approach to workforce issues – an approach that would cover the entire workforce spectrum from lower skill jobs to advanced knowledge workers, and provide the right incentives to attract and retain knowledge workers in Ontario.
- Learning and career development should be considered as a lifelong commitment and process. We need to create not only a training culture, but also a retraining culture to facilitate the re-entry of the unemployed into the workforce. Our education and training systems must be accountable, cost-effective and responsive to market trends.
- We heard criticism that our educational system is not guiding young people to develop entrepreneurial skills, and not providing students with timely information about career choices and where opportunities are expected to emerge.
- Educational providers need to step outside their traditional roles to work in partnership with economic development authorities, other training instructors and employers.

- Business and labour unions should enlist their workers to define training needs and develop responses.
- There was widespread recognition that the education and training needs of older workers should not be overlooked, especially with the continuing aging of Ontario's workforce.
- We heard recommendations that Ontario should be doing more to market our cultural and linguistic diversity (Toronto is recognized as one of the most culturally diverse cities in the world, while Eastern and Northeastern Ontario are home to a large French-speaking and bilingual population) into a source of greater competitive advantage.
- We were told that getting a job in the future would not depend solely on specialized or technical skills. According to many employers, the most sought-after workers also possess multidimensional "soft" skills, such as critical thinking, problem solving, and cross-cultural, interpersonal, management, networking and teamwork skills.
- We need to pay closer attention to basic skills – the "three R's." An estimated one-third of the workforce lacks adequate literacy and numerical skills.

"We as Canadians haven't taken risks as much as other nations. We need to innovate in the future... How can we encourage our children to be courageous, to take charge of their lives; including their jobs, and to learn how to think critically and laterally."

*—Premier's Conference participant,
St. Catharines*

WHAT WE HEARD

"In order to create an innovation culture, our schools must teach the concept of risk and entrepreneurship beginning at an early age."

*—Premier's Conference presenter,
Sault Ste. Marie*

"Hybrid education is key to integrating the many organizations that exist in our community and across the nation, into the classroom. If we can find a way to make these organizations an integral part of the education system for young people, we would make tremendous gains – and it's not a burden on taxpayers."

*—Premier's Conference youth presenter,
Thunder Bay*

SPECIFIC SUGGESTIONS:

- New, more creative private sector mechanisms for financing capital investment and continued funding assistance by government are needed to modernize classrooms, laboratories, libraries and other learning infrastructure, and to attract the best qualified professors and instructors to Ontario.
- More partnerships between industry and the education sector are essential to develop more effective and responsive matches between employers' skill requirements and employee learning/training requirements.
- Tax breaks and other incentives might encourage businesses to invest more in training their employees and financially supporting continuing education and skills upgrading.
- Combined college/university degrees, consisting of two years of college study and two years of university study, would provide "the best of both worlds" – practical, real-world training rooted in a solid academic framework.
- Business and community groups should engage in co-op education, job placement and mentoring programs for students. Co-op programs could be introduced as early as Grade 7 and 8.

■ Targeted strategies are needed to attract quality jobs to rural and small-town Ontario.

■ People must be prepared for the growth of self-employment and home-based business opportunities. New social roles and institutions may be required to address the isolation people may feel working from home.

■ Family-friendly workplaces need to become the norm, to facilitate workers' parenting obligations.

YOUTH

Some of the most compelling presentations we heard throughout the Premier's Conferences originated from Ontario's youth. They represent, after all, our future. As a society, our long-term ability to reinvest in our communities and institutions, and to support a growing aging population, will to a large extent depend on the success of today's youth in obtaining high-quality jobs and competing with the rest of the world.

The comments, concerns and suggestions expressed by youth across Ontario is detailed in Appendix 2.

APPENDIX 2 – YOUTH CONSULTATION

This report summarizes focus groups conducted among 287 young people across Ontario as part of public consultations carried out by the Ontario Jobs and Investment Board on Ontario's economic future.

Erik Lockhart, manager of the Queen's University Executive Decision Centre, conducted the research in the fall of 1998. It involved students between the ages of 13 and 18, attending secondary schools in Ottawa, Belleville, Sudbury, Timmins, Geraldton, Orillia, Welland, Stratford, Chatham and Toronto, and two groups of youth aged 19 to 25, facing various employment barriers and taking job skills training (Website construction and call centre operations) at Goodwill Industries in downtown Toronto. Participants were chosen by their schools and in many cases were actively involved in their student councils and other activities.

From these focus group participants, spokespeople were chosen to make formal presentations at a series of seven regional Premier's Conferences on Jobs and Prosperity held between October 15 and November 27.

The Queen's Executive Decision Centre process examined the key challenges, recommended solutions and ideal futures of young people in Ontario and developed a comparative analysis across regions, age groups and gender.

Students were asked to identify:

- the top three to five challenges they expect to face in the coming decade;
- what they need to achieve their goals;
- their public policy priorities;
- the key components of an ideal community; and
- their recommendations to the Premier on how to make Ontario a better place in which to live and work.

SUMMARY OF FOCUS GROUP SESSIONS

In general, the young people who participated in the focus groups indicated that they are most concerned about issues that will impact them directly, and they place a large responsibility on governments to create the conditions and means for them to accomplish their long term goals. There was some cynicism about many aspects of today's society (such as job prospects and the quality of public education and health care programs), concern about personal safety and crime, and whether current conditions are apt to improve. They were especially pessimistic about any improvement in environmental conditions.

YOUTH CONSULTATION

In several of the verbal presentations, the young people spoke passionately about the need for them to have hope. They said they want to know what opportunities will exist for them, and not be reminded only of the challenges they will face as a result of global competition, and changing technology. They indicated that they want help in obtaining the tools to achieve their goals, and they want the encouragement and the confidence of adults.

Their career goals run the complete gamut, with many hoping for technology-related jobs that include computer technician/engineer, bioscientist and graphic artist. Generally, their goals are knowledge-based and much different from those of their parents. This holds true throughout the province – even in areas where most of their parents and other role models are working in traditional jobs based in natural resources.

A significant number of the youth focus group participants said they believe they will be working for themselves in entrepreneurial ventures or in home-based roles in association with larger groups or companies. Many mentioned the probability of working outside of Ontario and Canada – either by preference or out of necessity to find the opportunities they are seeking.

(i) Similarities

Among high school students in all regions of the province and among the unemployed youth surveyed in Toronto, there was concern expressed over accessibility and costs of post secondary education. Most of these young people have made the connection between higher education, good job prospects and meeting their goals but they indicated that they are worried about how they will be able to afford college, university and retraining.

The other key challenges most commonly cited were the lack of full-time job opportunities, education funding challenges affecting high schools and the need for relevant job training for youth (such as co-op programs.)

The young people enrolled in re-training programs, who were generally older and more representative of Toronto's ethnic diversity, were also concerned about reliable and affordable child care, health care, racial harmony and equality of opportunity.

(ii) Regional Differences

During the course of the focus group process, some distinctive regional differences emerged.

In rural Ontario, a common theme was the inevitability of being forced to leave smaller communities to find good jobs in big cities.

In Northern Ontario, the lack of job opportunities was also a major theme, along with concern over access to health care. Both issues came ahead of the cost of post-secondary education as challenges identified by secondary school students.

The Sault Ste. Marie conference, for example, heard a 16-year-old, whose parents work in a mine, explain how the opportunity for a better job in the south would come at the expense of leaving behind a support network, quality of life and lifestyle that could not be replicated elsewhere.

In Southwestern Ontario, student participants were most concerned about the cost of post secondary education, with funding for high schools coming second and the lack of job opportunities rounding out their top concerns.

In Southern, Central and Eastern Ontario, the students cited post secondary education costs and lack of job opportunities as their main concerns, followed by education funding challenges.

In Southern and Central Ontario, crime and public safety were ranked as more important than in other regions of the province.

(iii) Public Policy Priorities

Secondary school students were given six public policy issues and asked to rank them in terms of importance: education, crime, health care, economy, environment, jobs.

The following emerged as the top three most commonly selected:

- jobs
- education
- health care

The economy and the environment were ranked 5th and 6th consistently, while crime and public safety appeared to be of greater priority to those in Southern and Central Ontario, especially those in large urban centres.

Crime and public safety is a more important issue in Toronto than elsewhere and of greater concern to females than males. Students in Northern Ontario are more concerned about health care than are their peers in other parts of the province.

Older students gave the economy a higher priority than did students still in secondary school.

YOUTH CONSULTATION

(iv) Recommendations

When focus group participants were asked for three recommendations they would make to the Premier to make Ontario a better place, the following responses recurred all across the province, with no notable regional differences:

- better access to post secondary education
- programs that provide youth with hands-on skills/experience
- tax breaks and other incentives for companies to hire young people
- a more practical secondary school curriculum
- increased funding for training programs

Students in the re-training programs cited the following:

- a national standard curriculum
- more scholarships
- the need to hire higher quality teachers
- bringing industry leaders and young people together to maximize job opportunities, curriculum development, mentoring etc.

(v) The Ideal Community

According to the focus group results, the secondary school students want to live in communities that have the following characteristics:

- clean
- safe
- good education system
- good health care system
- booming economy
- lots of jobs
- community spirit
- nice public facilities (e.g. parks, libraries)
- lots of fun things for young people to do
- decent public transportation system
- multiculturalism/racial harmony

In addition to the above characteristics, students in the retraining programs also cited the following for their ideal community:

- reliable, affordable child care
- affordable cost of living
- affordable housing

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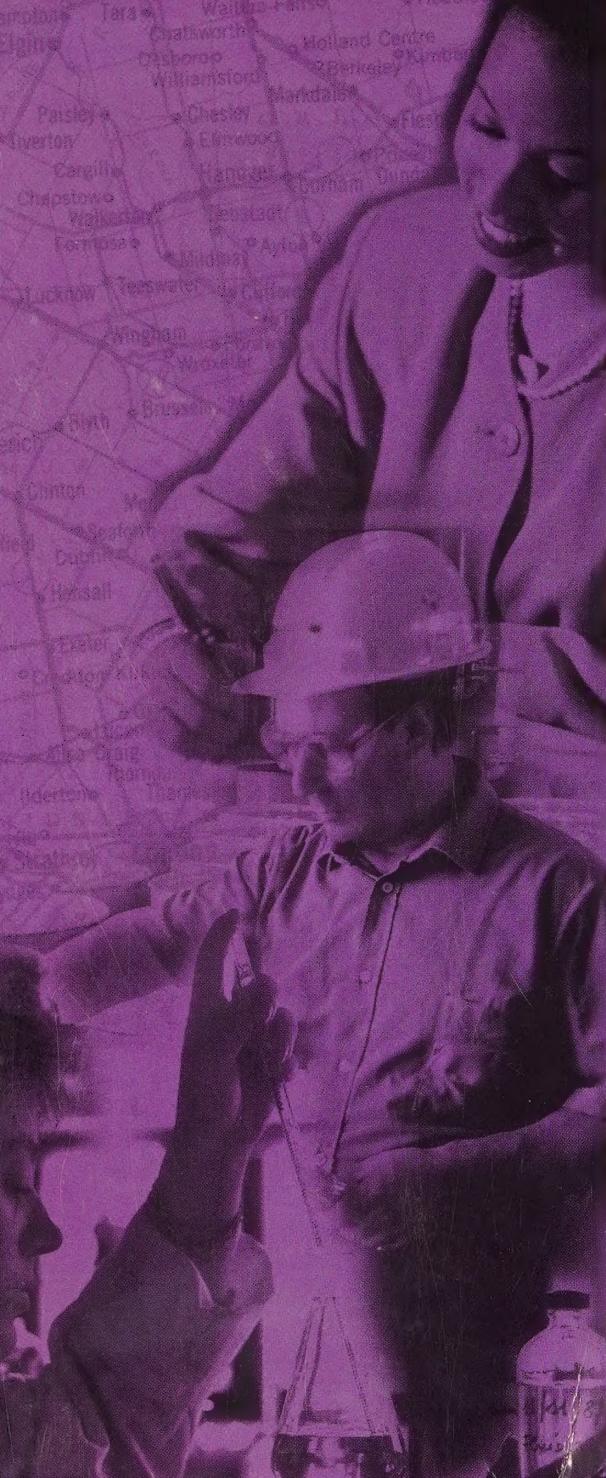
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